FORM 3

AMENDED REPORT ☑

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL		
		1. WELL NAME and NUMBER CWU 1268-27
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○		**3. FIELD OR WILDCAT** NATURAL BUTTES
4. TYPE OF WELL Gas Well Coalbed Methane Well: NO		**5. UNIT or COMMUNITIZATION AGREEMENT NAME** CHAPITA WELLS
6. NAME OF OPERATOR EOG Resources, Inc.		**7. OPERATOR PHONE** 435 781-9111
8. ADDRESS OF OPERATOR 1060 East Highway 40, Vernal, UT, 84078		**9. OPERATOR E-MAIL** kaylene_gardner@eogresources.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU0344A	**11. MINERAL OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○	**12. SURFACE OWNERSHIP** FEDERAL ◉ INDIAN ○ STATE ○ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')		**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')		**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ◉	**19. SLANT** VERTICAL ◉ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	702 FNL 850 FWL	NWNW	27	9.0 S	23.0 E	S
Top of Uppermost Producing Zone	702 FNL 850 FWL	NWNW	27	9.0 S	23.0 E	S
At Total Depth	702 FNL 850 FWL	NWNW	27	9.0 S	23.0 E	S

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 702	**23. NUMBER OF ACRES IN DRILLING UNIT** 640
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 840	**26. PROPOSED DEPTH** MD: 8820 TVD: 8820
27. ELEVATION - GROUND LEVEL 5170	**28. BOND NUMBER**	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 49-225

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORCANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ **WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER**	☑ **COMPLETE DRILLING PLAN**
☐ **AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)**	☐ **FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER**
☐ **DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)**	☑ **TOPOGRAPHICAL MAP**

NAME Kaylene Gardner	**TITLE** Regulatory Administrator	**PHONE** 435 781-9111
SIGNATURE	**DATE** 05/13/2009	**EMAIL** kaylene_gardner@eogresources.com

API NUMBER ASSIGNED
43047504090000

APPROVAL

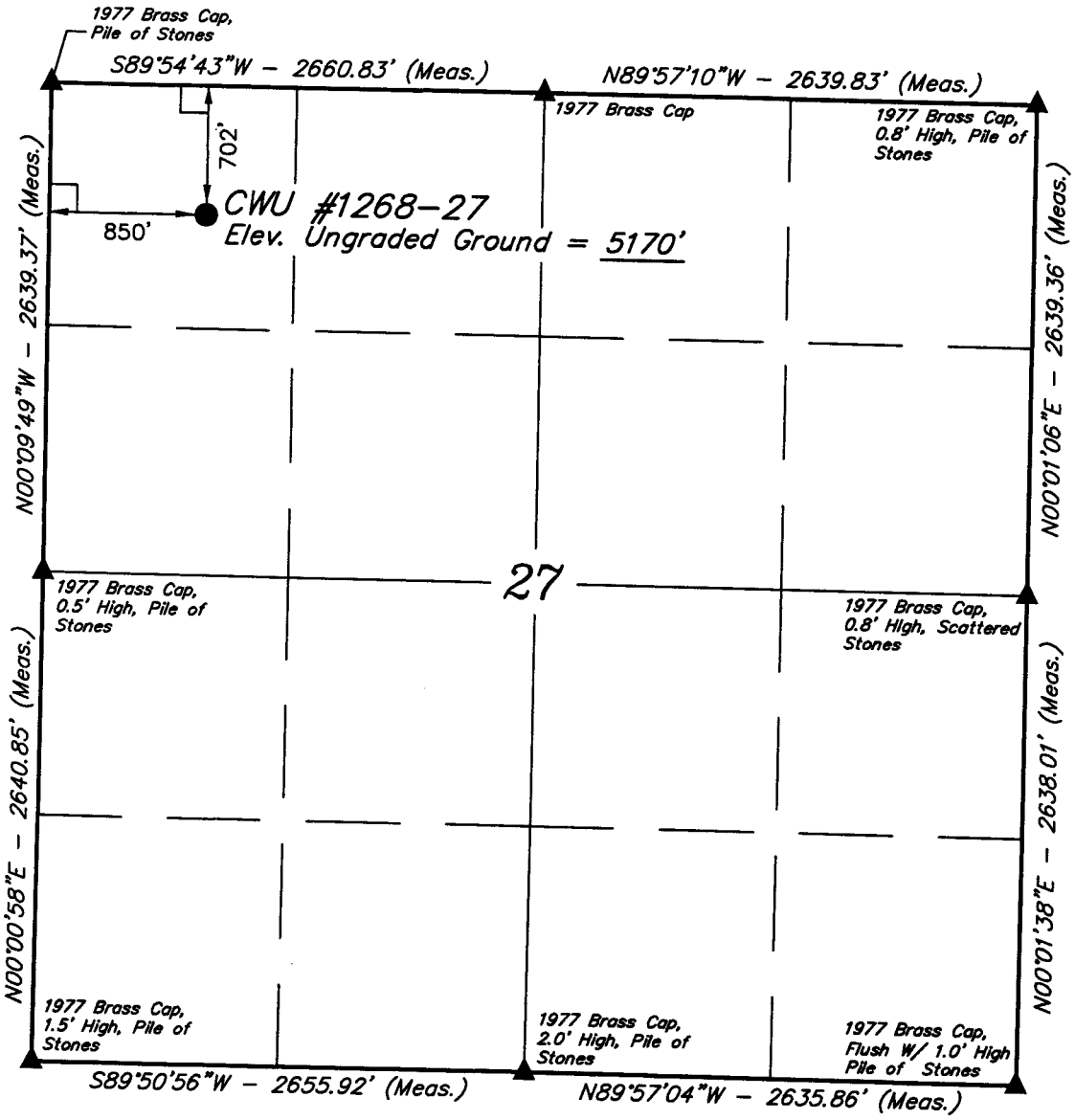
Permit Manager

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Cond	20	14	0	60		
Pipe	**Grade**	**Length**	**Weight**			
	Unknown	60	32.5			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Prod	7.875	4.5	0	9470		
Pipe	**Grade**	**Length**	**Weight**			
	Grade P-110 LT&C	8820	11.6			

Proposed Hole, Casing, and Cement						
String	**Hole Size**	**Casing Size**	**Top (MD)**	**Bottom (MD)**		
Surf	12.25	9.625	0	2300		
Pipe	**Grade**	**Length**	**Weight**			
	Grade J-55 ST&C		36.0			

T9S, R23E, S.L.B.&M.



LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 40°00'44.16" (40.012267)
LONGITUDE = 109°19'10.05" (109.319458)
(NAD 27)
LATITUDE = 40°00'44.28" (40.012300)
LONGITUDE = 109°19'07.61" (109.318781)

EOG RESOURCES, INC.

Well location, CWU #1268-27, located as shown in the NW 1/4 NW 1/4 of Section 27, T9S, R23E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

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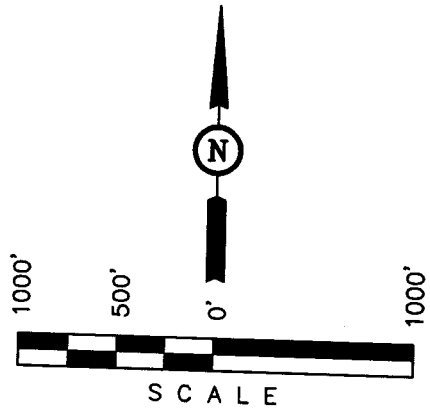


CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 05-24-06	DATE DRAWN: 05-25-06
PARTY: B.J. T.C. L.K.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: EOG RESOURCES, INC.	

API Well No: 43047504090000

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,538		Shale	
Birdsnest Zone	1,678		Dolomite	
Mahogany Oil Shale Bed	2,182		Shale	
Wasatch	4,425		Sandstone	
Chapita Wells	4,991		Sandstone	
Buck Canyon	5,651		Sandstone	
North Horn	6,209		Sandstone	
KMV Price River	6,514	Primary	Sandstone	Gas
KMV Price River Middle	7,311	Primary	Sandstone	Gas
KMV Price River Lower	8,088	Primary	Sandstone	Gas
Sego	8,624		Sandstone	
TD	**8,820**			

Estimated TD: **8,820' or 200'± below TD** **Anticipated BHP: 4,816 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	20"	0 – 60'	14"	32.5#	A-252	STC		1,880 PSI	10,000#
Surface	12 ¼"	0-2,300 KB±	9 ⅝"	36.0#	J-55	STC	2,020 PSI	3,520 PSI	394,00#
Production	7-⅞"	Surface – TD	4-½"	11.6#	P-110	LTC	7,560 PSI	10,690 Psi	279,000#

Note: **12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.**

All casing will be new or inspected.

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
Cement Bond / Casing Collar Locator and GR

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead:	**185 sks**	Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.
Tail:	**207 sks**	Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.
Top Out:		As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.
Note:		Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead:	**116 sks:**	Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.
Tail:	**855 sks**:	50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

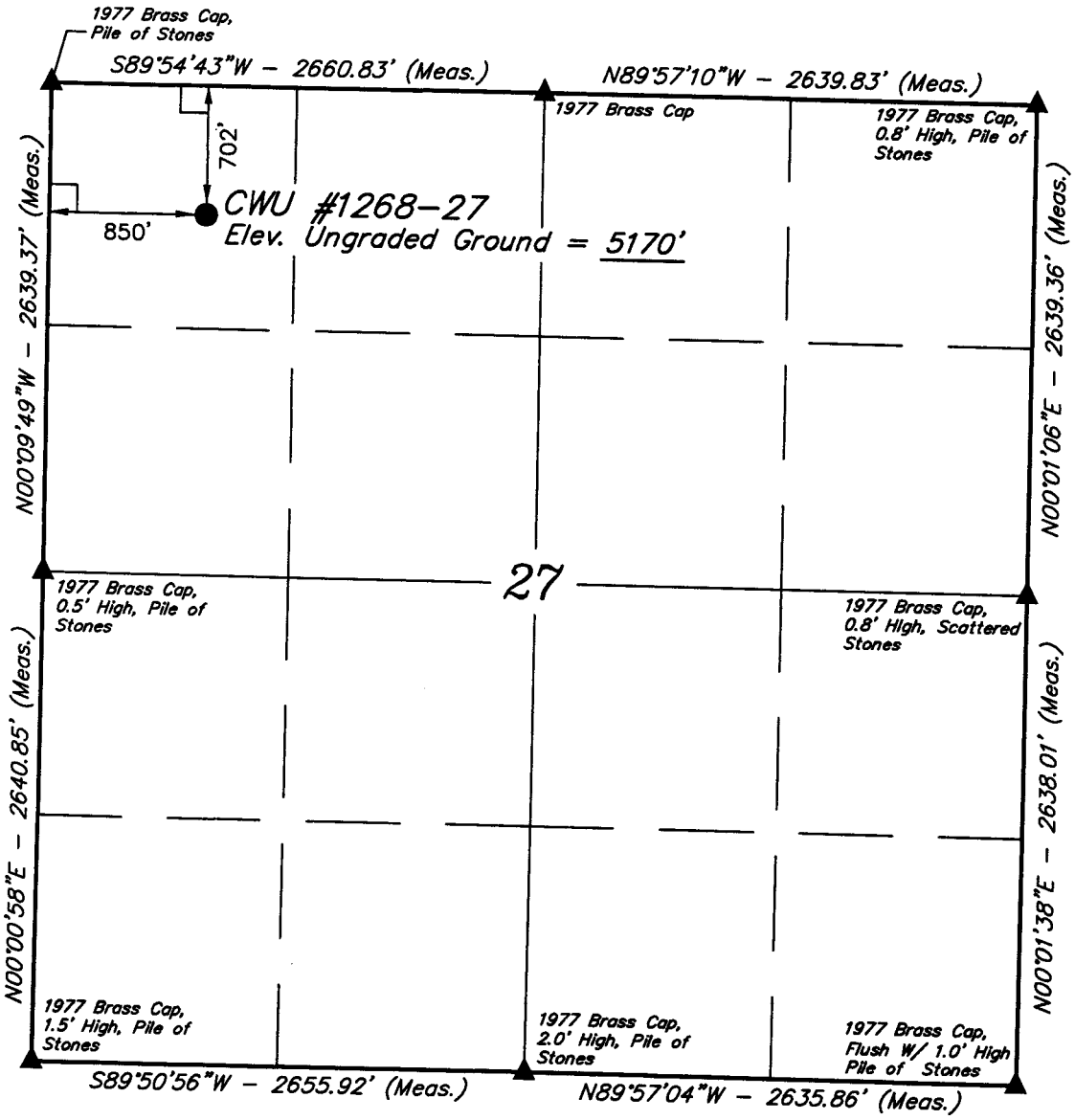
EOG RESOURCES, INC.

CWU #1268-27
SECTION 27, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRCTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN EASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE CWU #814-27 TO THE EAST; FOLLOW ROAD FLAGS IN AN EASTERLY DIRECTION APROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1112-27 TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHWEST; FOLLOW ROAD FLAGS IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 55.1 MILES.

T9S, R23E, S.L.B.&M.



LEGEND:

└ = 90° SYMBOL

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▲ = SECTION CORNERS LOCATED.

(NAD 83)
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(NAD 27)
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EOG RESOURCES, INC.

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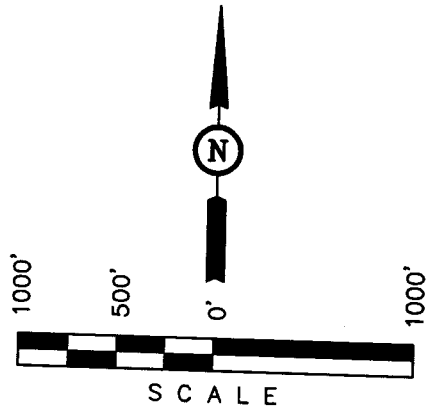

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REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 05-24-06	DATE DRAWN: 05-25-06
PARTY: B.J. T.C. L.K.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: EOG RESOURCES, INC.	

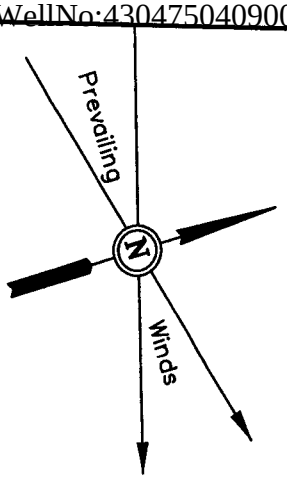
API Well No: 43047504090000

'APIWellNo:43047504090000'

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #1268-27
SECTION 27, T9S, R23E, S.L.B.&M.
702' FNL 850' FWL



SCALE: 1" = 50'
DATE: 5-25-06
Drawn By: L.K.

F-2.6'
El. 64.0'

F-15.5'
El. 51.1'

F-5.2'
El. 61.4'

Round Corners as needed

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L.
STATE OF UTAH
25

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Toe of Fill Slope

Pit Topsoil

FLARE PIT

C-4.2'
El. 70.8'

C-3.0'
El. 69.6'

20' WIDE BENCH

DOG HOUSE

El. 69.3'
C-14.7'
(btm. pit)

Sta. 1+50

F-12.5'
El. 54.1'

C-3.7'
El. 70.3'

Total Pit Capacity W/2' Of Freeboard = 12,250 Bbls. ±
Total Pit Volume = 3,320 Cu. Yds.

RESERVE PITS (12' Deep)

SLOPE = 1-1/2 : 1

Reserve Pit Backfill & Spoils Stockpile

15' WIDE BENCH

PUMP
MUD SHED
HOPPER
POWER
TOOLS
FUEL
MUD TANKS
WATER
TRAILER
TOILET
FUEL
Topsoil Stockpile

Sta. 0+50

TRASH
STORAGE TANK

C-5.7'
El. 72.3'

Sta. 0+00

F-5.6'
El. 61.0'

20' WIDE BENCH

El. 74.6'
C-20.0'
(btm. pit)

C-7.1'
El. 73.7'

Approx. Top of Cut Slope

Proposed Access Road

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5169.6'

FINISHED GRADE ELEV. AT LOC. STAKE = 5166.6'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

'APIWellNo:43047504090000'

EOG RESOURCES, INC.

TYPICAL CROSS SECTIONS FOR

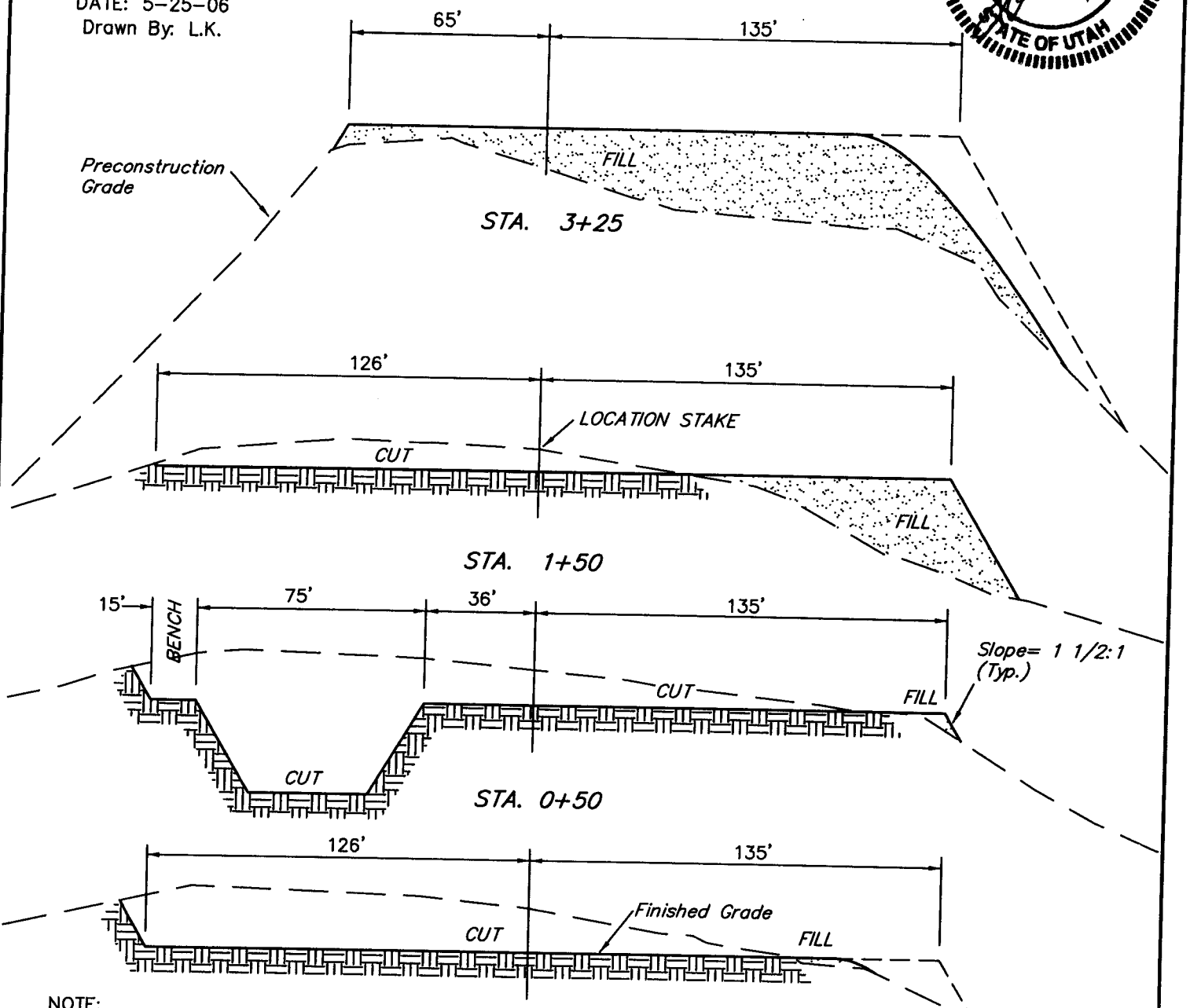
CWU #1268-27
SECTION 27, T9S, R23E, S.L.B.&M.
702' FNL 850' FWL

FIGURE #2

REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH

1" = 20'
X-Section Scale
1" = 50'

DATE: 5-25-06
Drawn By: L.K.



NOTE:
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,720 Cu. Yds.
Remaining Location = 8,760 Cu. Yds.

TOTAL CUT = 10,480 CU.YDS.
FILL = 7,100 CU.YDS.

EXCESS MATERIAL = 3,380 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,380 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

'APIWellNo:43047504090000'

EOG RESOURCES, INC.

CWU #1268-27

LOCATED IN UINTAH COUNTY, UTAH
SECTION 27, T9S, R23E, S.L.B.&M.

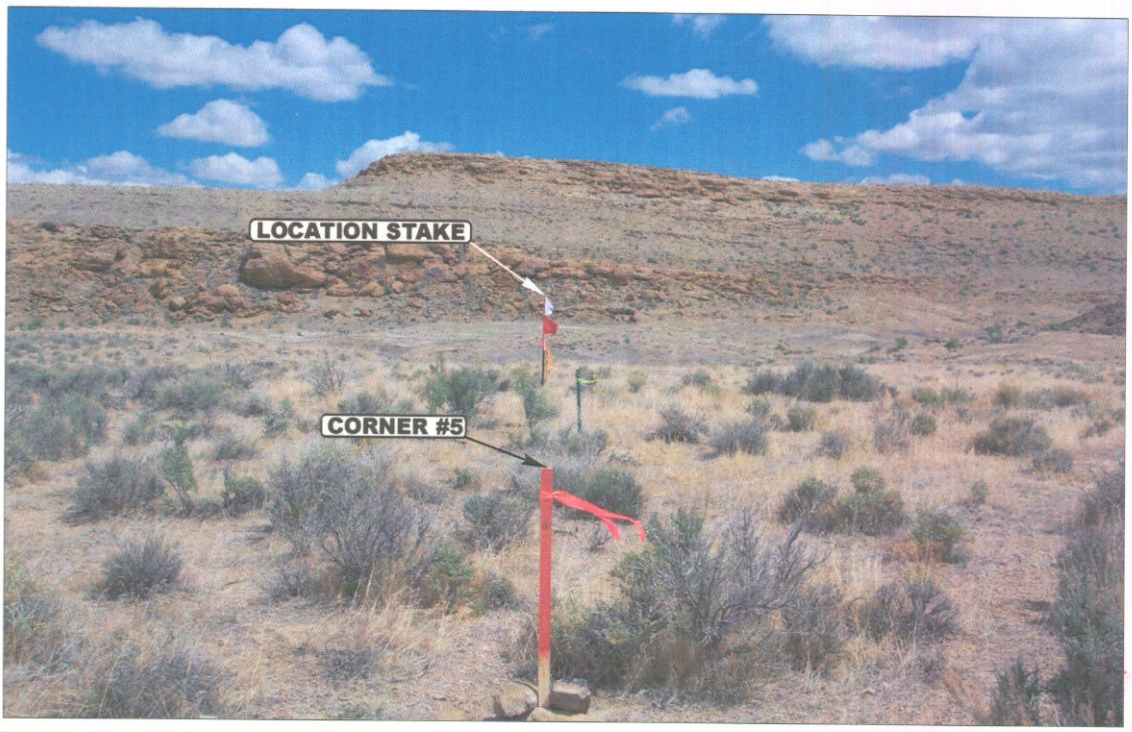


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

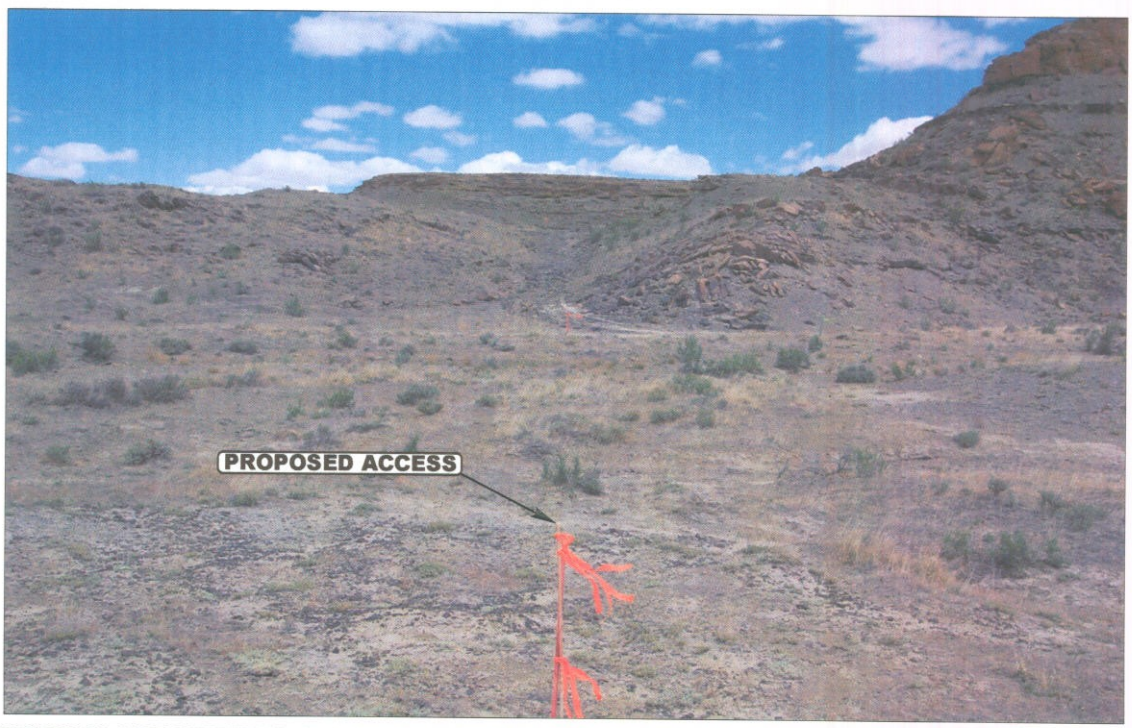
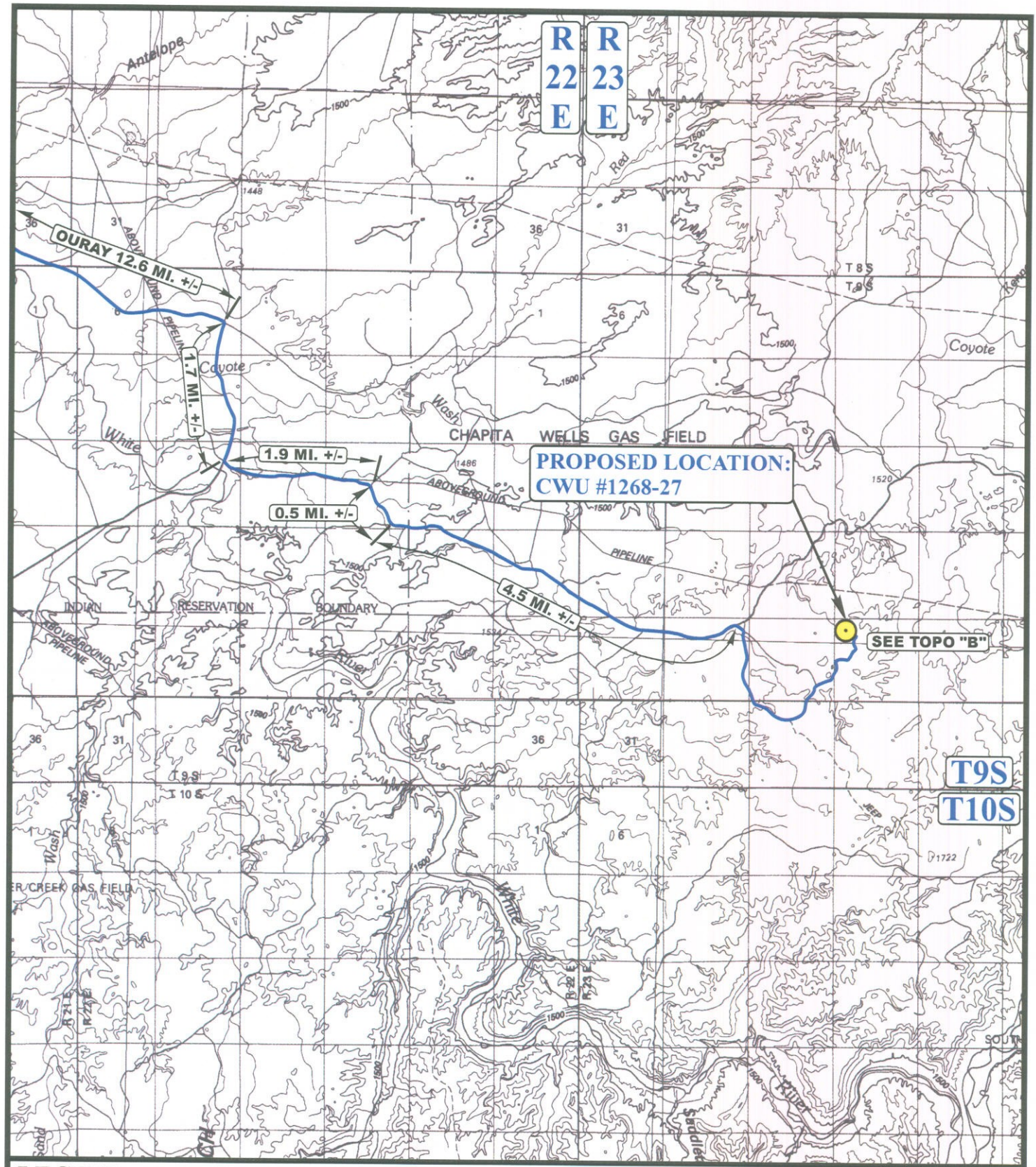


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: NORTHWESTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	05 MONTH	25 DAY	05 YEAR	PHOTO
TAKEN BY: B.J.	DRAWN BY: C.H.	REVISED: 00-00-00		

'APIWellNo:43047504090000'



LEGEND:

PROPOSED LOCATION

N

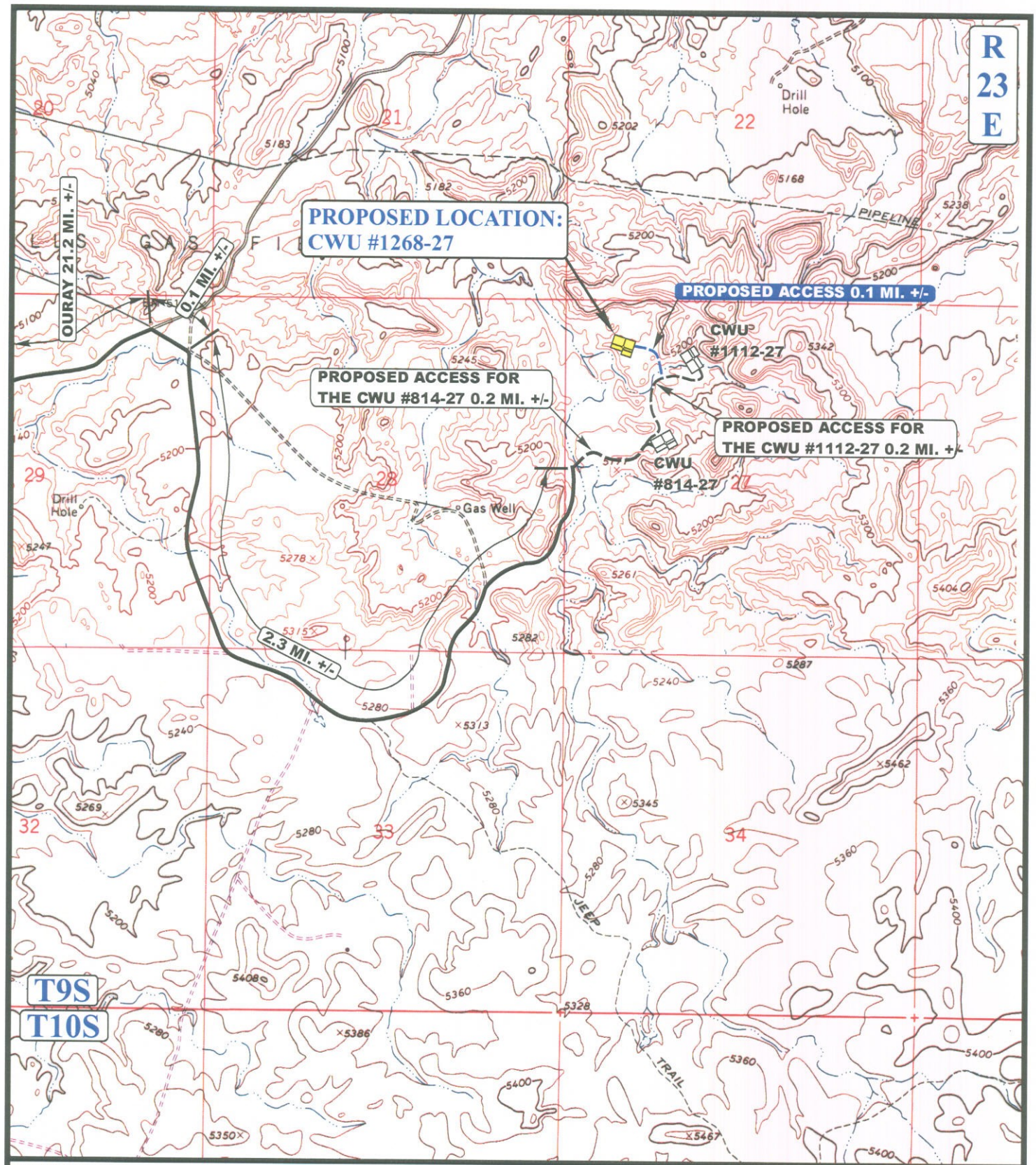
EOG RESOURCES, INC.

CWU #1268-27
SECTION 27, T9S, R23E, S.L.B.&M.
702' FNL 850' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	05 MONTH	25 DAY	06 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: C.H.	REVISED: 00-00-00		

'APIWellNo:43047504090000'



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

EOG RESOURCES, INC.

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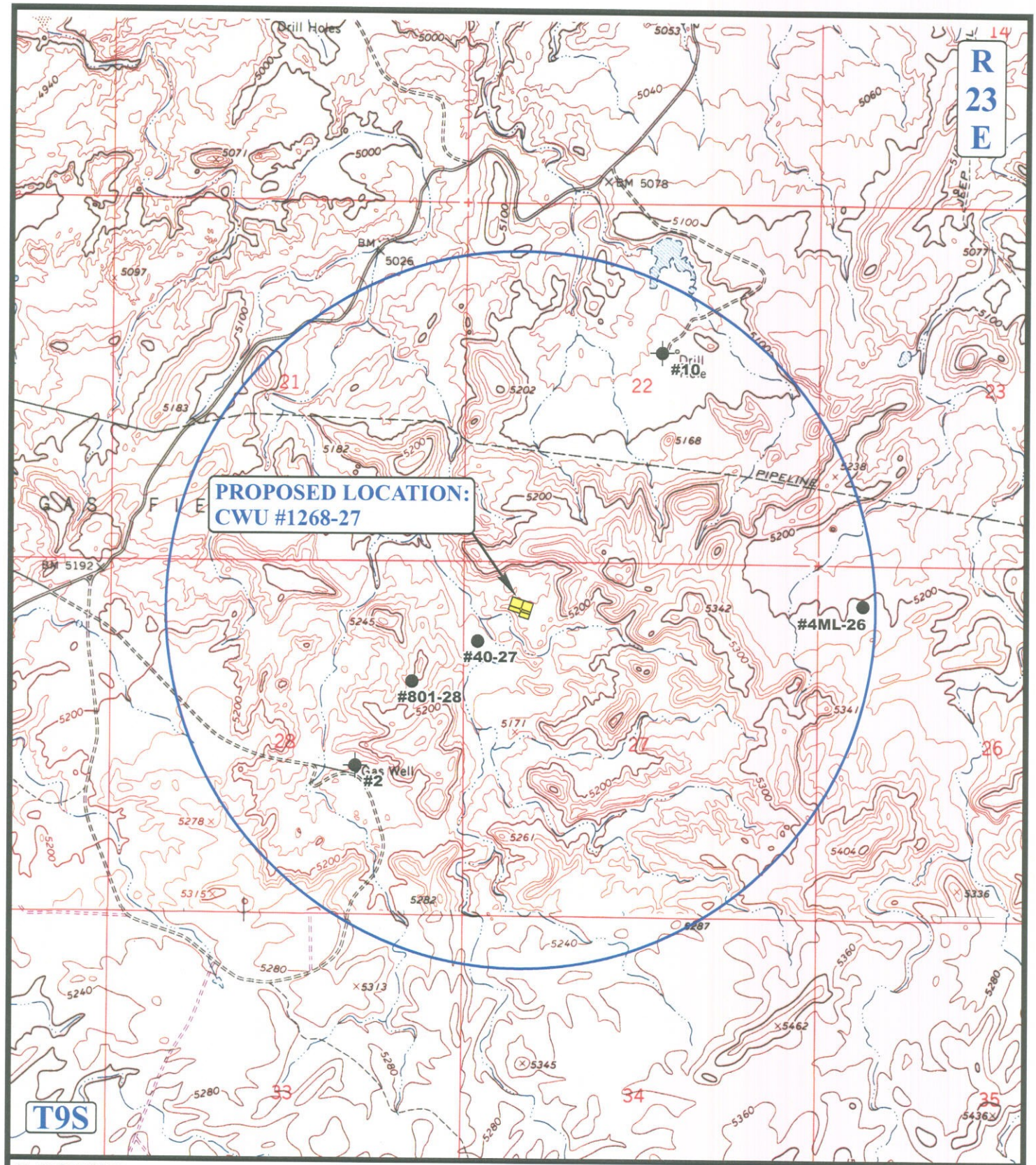
TOPOGRAPHIC MAP	05 MONTH	25 DAY	06 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: C.H.	REVISED: 00-00-00		

'APIWellNo:43047504090000'



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

EOG RESOURCES, INC.

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702' FNL 850' FWL

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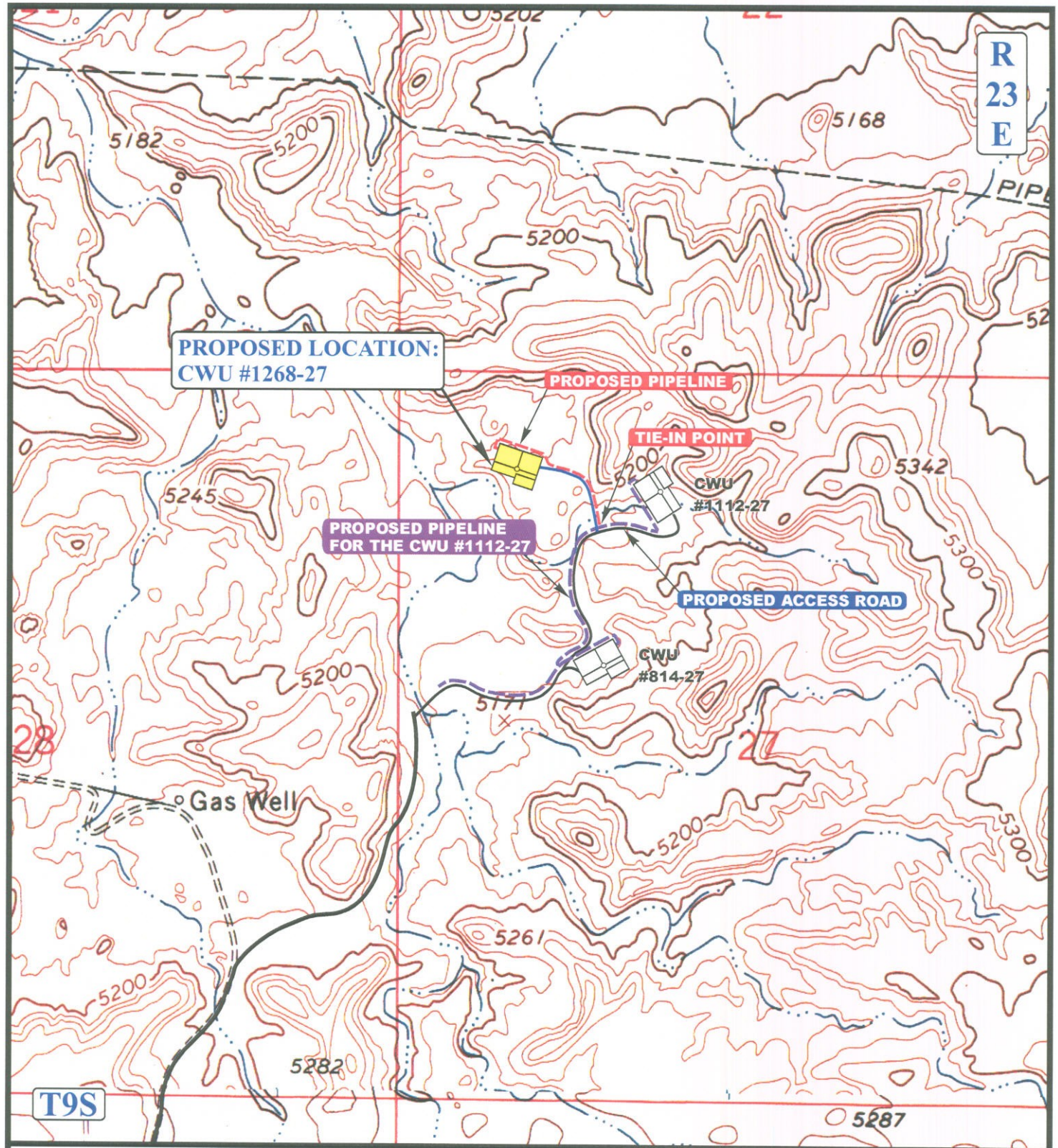
TOPOGRAPHIC MAP | 05 MONTH | 25 DAY | 06 YEAR

SCALE: 1" = 2000' | DRAWN BY: C.H. | REVISED: 00-00-00

C TOPO

'APIWellNo:43047504090000'



APPROXIMATE TOTAL PIPELINE DISTANCE = 1220' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

EOG RESOURCES, INC.

CWU #1268-27
SECTION 27, T9S, R23E, S.L.B.&M.
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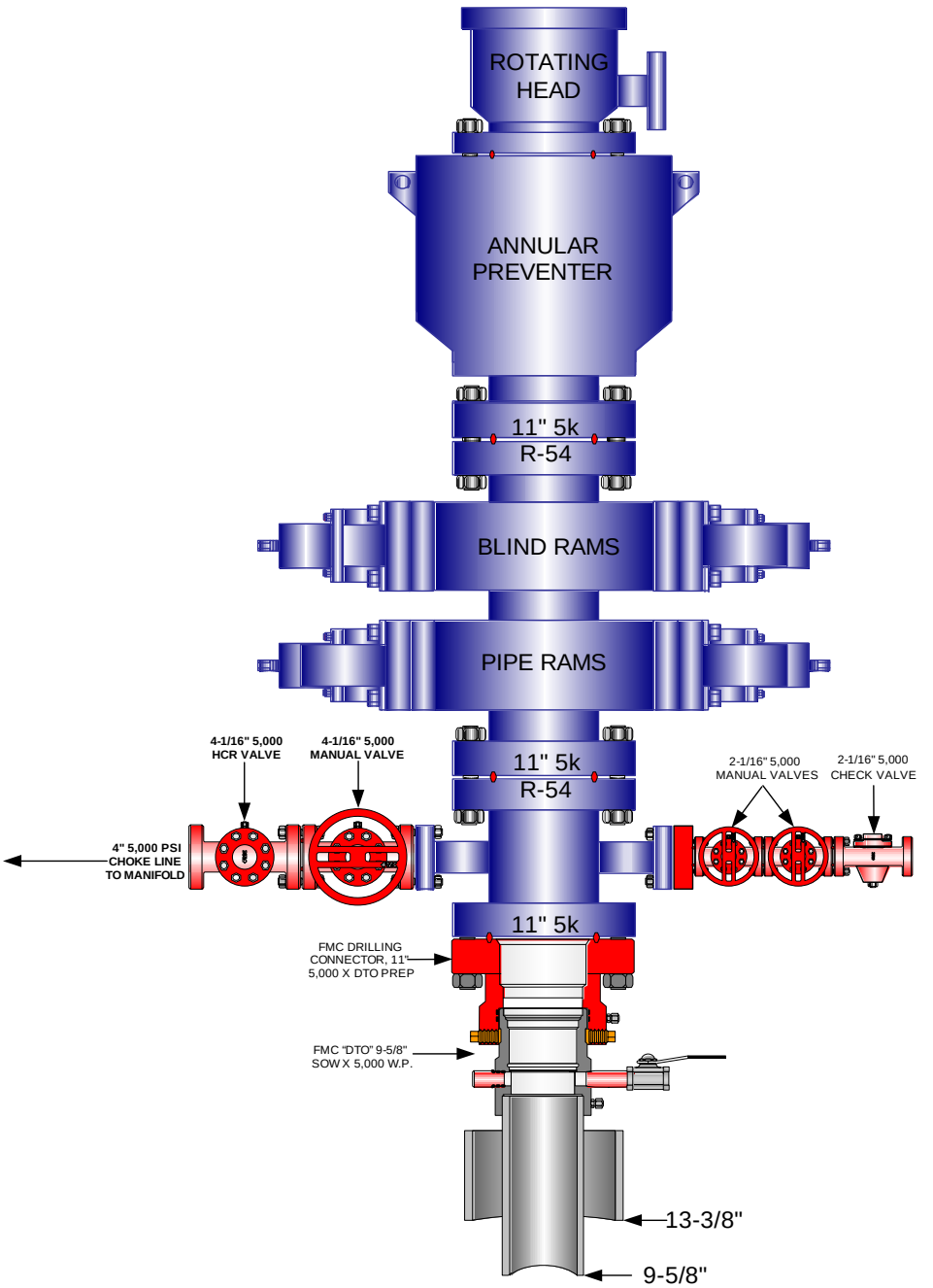
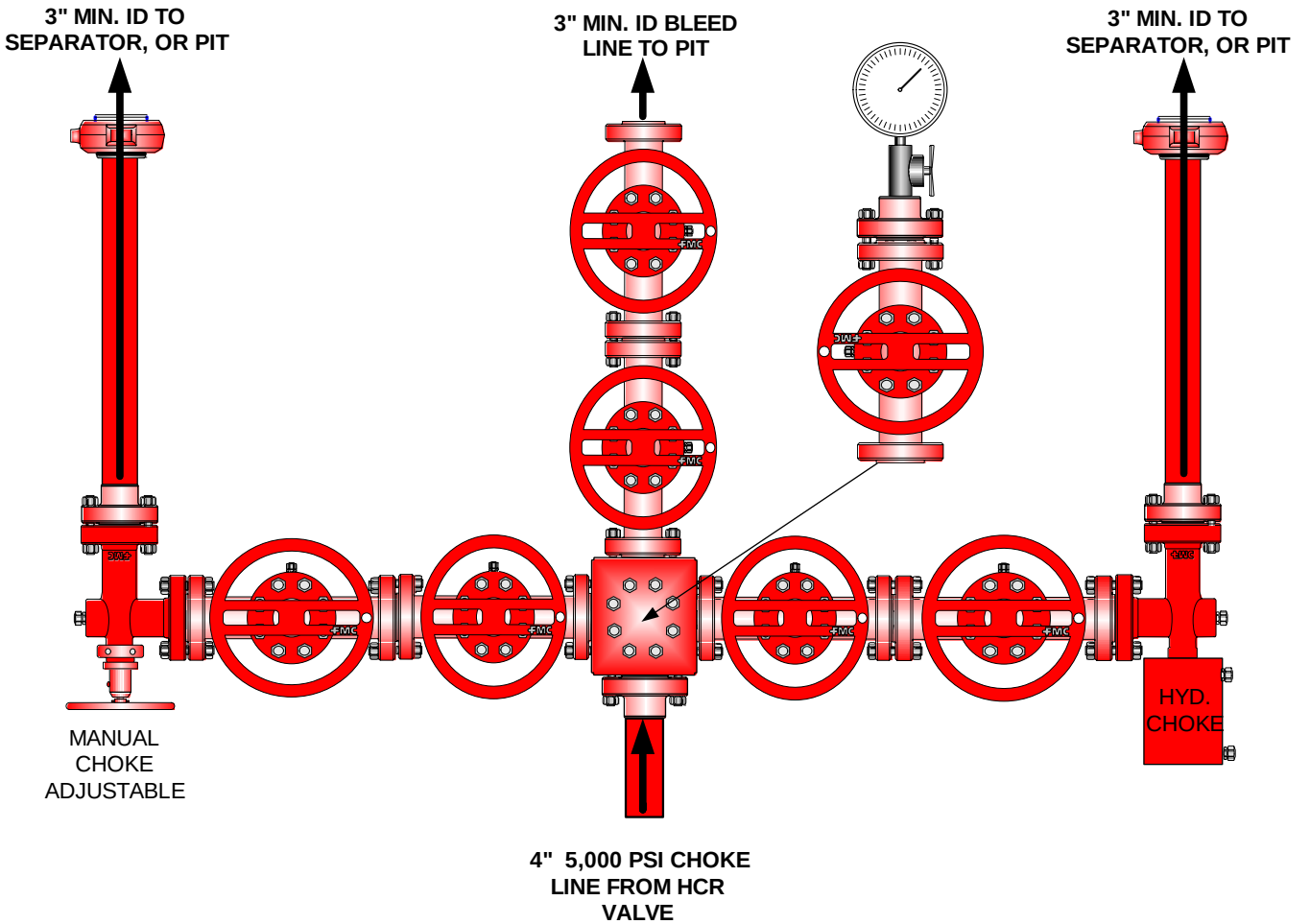
TOPOGRAPHIC MAP	05 MONTH	25 DAY	06 YEAR	D TOPO
SCALE: 1" = 1000'	DRAWN BY: C.H.	REVISED: 00-00-00		

’APIWellNo:43047504090000’

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

Chapita Wells Unit 1268-27
NWNW, Section 27, T9S, R23E
Uintah County, Utah

SURFACE USE PLAN

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 528 feet long with a 30-foot right-of-way, disturbing approximately 0.36 acre. New surface disturbance associated with the well pad and access road is estimated to be 2.20 acres. The pipeline is approximately 1220 feet long with a 40-foot temporary right-of-way and an 8-foot permanent right-of-way disturbing approximately 0.22 acre.

1. EXISTING ROADS:

A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

B. The proposed well site is located approximately 55.1 miles south of Vernal, Utah – See attached TOPO Map "A".

C. Refer to attached Topographic Map "A" showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

A. The access road will be approximately 528' in length; culverts will be installed on an as-needed basis. See attached Topo B.

B. The access road has a 30-foot ROW w/18 foot running surface.

C. Maximum grade of the new access road will be 8 percent.

D. No turnouts will be required.

E. Road drainage crossings shall be of the typical dry creek drainage crossing type.

F. No bridges, or major cuts and fills will be required.

G. The access road will be dirt surface.

H. No gates, cattleguards, or fences will be required or encountered.

I. A 30-foot permanent right-of-way is requested. No surfacing material will be used.

J. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

New or reconstructed roads will be centerlined – flagged at time of location staking. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed, safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the roadbed block the drainages. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 30-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

The entire length of the proposed access road and pipeline are located within the Chapita Wells Unit. An offlease, Unit, right-of-way will not be required.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl vertical tanks and associated pipe.

2. Gas gathering lines – A 4" gathering line will be buried from the dehy unit to the edge of the location.

B. Off Well Pad

1. Proposed pipeline will transport natural gas.

2. The pipeline will be a permanent feeder line.

3. The length of the proposed pipeline right-of-way is 1220' x 8'. The proposed pipeline leaves the western edge of the well pad (Lease UTU0344A) proceeding in a easterly then southerly direction for an approximate distance of 1220' tieing into an existing pipeline in the SENW of Section 27, T9S, R23E, authorized under existing Application for Permit to Drill for Chapita Wells Unit 1112-27. Pipe will be 4" NOM, 0.156 wall, Grade X42, Zap-Lock, electric weld with a 35 mil X-Tru coating.
4. Proposed pipeline will be a 4" OD steel, zap-lok line laid on the surface

5. Proposed pipeline will be laid on surface.

6. An 8-foot permanent pipeline right-of-way is requested. A 40-foot temporary pipeline right-of-way for construction purposes is requested, the temporary right-of-way will be utilized for a 10-day period.

7. The proposed pipeline route begins in the NWNW of Section 27, Township 9S, Range 23E, proceeding northerly for an approximate distance of 1220' to the SENW of Section 27, Township 9S, Range 23E.

8. Pipeline will be coupled using the Zap lock method. No additional off-pad facilities will be required.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water supply will be Bonanza Power Plant water source in Sec 26, T8S, R23E, Uintah County, UT (State Water Right # 49-225(A31368)).

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD CWU 2-29 SWD, Red Wash Evaporation Ponds 1, 2, 3, 4, 5, 6, or 7, or Coyote Evaporation Ponds 1, 2, 3, or 4, or White River Evaporation Ponds 1, or 2, or Hoss SWD Facility, right-of-way UTU 86010, UTU 897093 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt, and a 16-millimeter plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) will be used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer (A.O.)

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig layout.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil north of corner #5. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the east.

Round corner "8" and corner "6" ensuring all soil catches at the stakes.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. *Interim Reclamation (Producing Location)*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be reseeded during interim reclamation. The reserve pit will be reclaimed within 6 months from the date of the well completion, or as soon as weather allows. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
HyCrest Wheatgrass	5.0
Shadscale	4.0
Prostrate Kochia	3.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. *Dry Hole/Abandoned Location*

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate final reclamation conditions of approval.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Wyoming Big Sage	1.0
Shadscale	4.0
Needle and Threadgrass	4.0
HyCrest Wheatgrass	2.0
Scarlet Globe Mallow	1.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along rights-of-way for

roads, pipelines, well sites, or other applicable facilities. Prior to the application of herbicides or other pesticides or possible hazardous chemicals A Pesticide Use proposal shall be submitted for BLM approval.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and submitted by Montgomery Archaeological Consultants MOAC report # 06-323 on July 18, 2006. A paleontological survey was conducted and submitted by Intermountain Paleo report # 06-204 on August 16, 2006.

Additional Surface Stipulations:

None

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT
Kaylene R. Gardner
EOG Resources, Inc.
1060 East Highway 40
Vernal, UT 84078
(435) 781-9111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

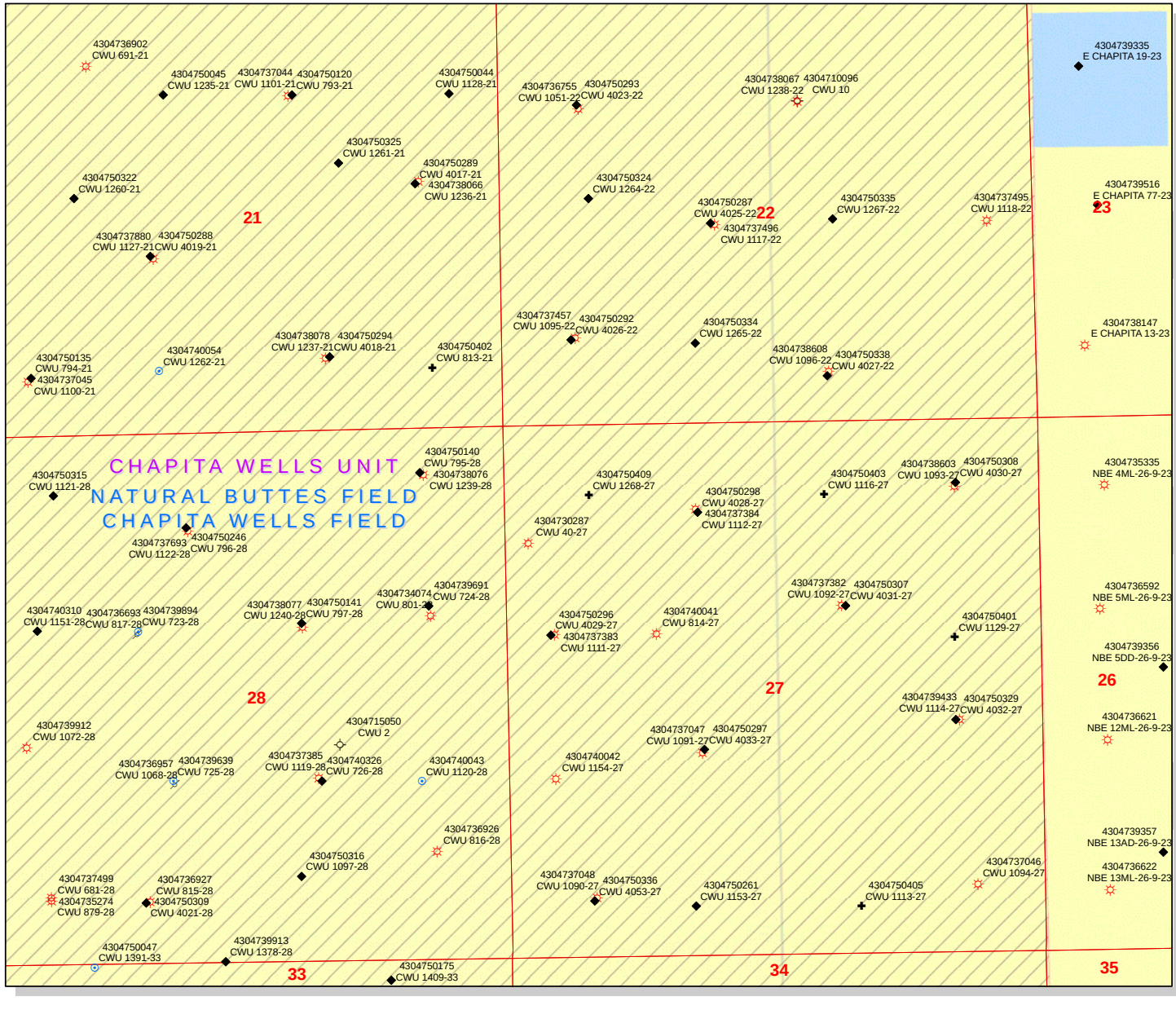
CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 1268-27 well, located in the NWNW, of Section 27, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

May 5, 2009
Date

Kaylene R. Gardner, Regulatory Administrator



API Number: 4304750409

Well Name: CWU 1268-27

Township 09.0 S Range 23.0 E Section 27

Meridian: SLBM

Operator: EOG RESOURCES, INC.

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
ACTIVE
EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Fields
STATUS
ACTIVE
COMBINED
Sections

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LA
NEW
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PGW
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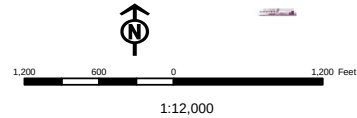


1:12,000

'APIWellNo:43047504090000'

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

May 8, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Chapita Wells Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION

(Proposed PZ Mesaverde)

43-047-50399 CWU 1198-20 Sec 20 T09S R23E 2039 FSL 0640 FWL
43-047-50400 CWU 1137-19 Sec 19 T09S R23E 1781 FSL 2174 FEL
43-047-50401 CWU 1129-27 Sec 27 T09S R23E 2170 FNL 0850 FEL
43-047-50402 CWU 813-21 Sec 21 T09S R23E 0587 FSL 0669 FEL
43-047-50403 CWU 1116-27 Sec 27 T09S R23E 0737 FNL 2113 FEL
43-047-50405 CWU 1113-27 Sec 27 T09S R23E 0472 FSL 1820 FEL
43-047-50409 CWU 1268-27 Sec 27 T09S R23E 0702 FNL 0850 FWL
43-047-50410 CWU 1449-30 Sec 30 T09S R23E 0010 FNL 2630 FEL
43-047-50411 CWU 1450-30 Sec 30 T09S R23E 0010 FNL 1110 FEL
43-047-50412 CWU 1451-30 Sec 30 T09S R23E 0276 FNL 0057 FEL
43-047-50413 CWU 1448-20 Sec 20 T09S R23E 1308 FSL 0445 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:5-8-09

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/6/2009 **API NO. ASSIGNED:** 43047504090000

WELL NAME: CWU 1268-27

OPERATOR: EOG Resources, Inc. (N9550) **PHONE NUMBER:** 435 781-9111

CONTACT: Kaylene Gardner

PROPOSED LOCATION: NWNW 27 090S 230E **Permit Tech Review:** ☑

SURFACE: 0702 FNL 0850 FWL **Engineering Review:** ☐

BOTTOM: 0702 FNL 0850 FWL **Geology Review:** ☑

COUNTY: UINTAH

LATITUDE: 40.01233 **LONGITUDE:** -109.31877

UTM SURF EASTINGS: 643491.00 **NORTHINGS:** 4430269.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU0344A **PROPOSED PRODUCING FORMATION(S):** SEGO

SURFACE OWNER: 1 - Federal **COALBED METHANE:** NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** FEDERAL - NM2308
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 49-225
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit: CHAPITA WELLS

- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: Cause 179-8

Effective Date: 8/10/1999

Siting: Suspends General Siting

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations: 4 - Federal Approval - dmason

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Permit To Drill

****

Well Name: CWU 1268-27
API Well Number: 43047504090000
Lease Number: UTU0344A
Surface Owner: FEDERAL
Approval Date: 5/13/2009

Issued to:
EOG Resources, Inc., 1060 East Highway 40, Vernal, UT 84078

Authority:
Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-8. The expected producing formation or pool is the MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:
Notify the Division with 24 hours of spudding the well.
- Contact Carol Daniels at (801) 538-5284.

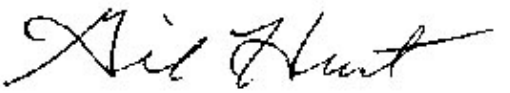
Notify the Division prior to commencing operations to plug and abandon the well.
- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

Reporting Requirements:
All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7),

API Well No: 43047504090000

Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

Approved By:



Gil Hunt
Associate Director, Oil & Gas

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 5/6/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	✓ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the Utah Division of Oil, Gas and Mining

Date: May 10, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 5/6/2010

RECEIVED May 06, 2010

The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047504090000

API: 43047504090000
Well Name: CWU 1268-27
Location: 0702 FNL 0850 FWL QTR NWNW SEC 27 TWNP 090S RNG 230E MER S
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 5/13/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- **If located on private land, has the ownership changed, if so, has the surface agreement been updated?** ○ **Yes** ◉ **No**
- **Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?** ○ **Yes** ◉ **No**
- **Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?** ○ **Yes** ◉ **No**
- **Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?** ○ **Yes** ◉ **No**
- **Has the approved source of water for drilling changed?** ○ **Yes** ◉ **No**
- **Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?** ○ **Yes** ◉ **No**
- **Is bonding still in place, which covers this proposed well?** ◉ **Yes** ○ **No**

Approved by the Utah Division of Oil, Gas and Mining

Signature: Mickenzie Gates **Date:** 5/6/2010
Title: Operations Clerk **Representing:** EOG RESOURCES, INC.

Date: May 10, 2010
By: Dallas Hill

RECEIVED May 06, 2010

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/14/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests authorization to change the Drilling Plan as per the attached. Float Equipment: Item 5 Logs: Item 8 Please see the attached revised Drilling Plan reflecting the purposed changes.

Accepted by the Utah Division of Oil, Gas and Mining

Date: June 15, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE		**DATE**
N/A		6/14/2010

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,538		Shale	
Birdsnest Zone	1,678		Dolomite	
Mahogany Oil Shale Bed	2,182		Shale	
Wasatch	4,425		Sandstone	
Chapita Wells	4,991		Sandstone	
Buck Canyon	5,651		Sandstone	
North Horn	6,209		Sandstone	
KMV Price River	6,514	Primary	Sandstone	Gas
KMV Price River Middle	7,311	Primary	Sandstone	Gas
KMV Price River Lower	8,088	Primary	Sandstone	Gas
Sego	8,624		Sandstone	
TD	**8,820**			

Estimated TD: **8,820' or 200'± below TD** **Anticipated BHP: 4,816 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	20"	0 – 60'	14"	32.5#	A-252	STC		1,880 PSI	10,000#
Surface	12 ¼"	0-2,300 KB±	9 ⅝"	36.0#	J-55	STC	2,020 PSI	3,520 PSI	394,00#
Production	7-⅞"	Surface – TD	4-½"	11.6#	P-110	LTC	7,560 PSI	10,690 Psi	279,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 3rd joint to 400' above the top of primary object. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

RECEIVED June 14, 2010

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
CBL/CCL/VDL/GR

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **116 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **855 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

RECEIVED June 14, 2010

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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✓ NOTICE OF INTENT Approximate date work will start: 6/14/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
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☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
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	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
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	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests authorization to change the Drilling Plan as per the attached. Float Equipment: Item 5 Logs: Item 8 Please see the attached revised Drilling Plan reflecting the purposed changes.

Accepted by the Utah Division of Oil, Gas and Mining

Date: June 15, 2010

By:

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE		**DATE**
N/A		6/14/2010

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	TVD-RKB (ft)	Objective	Lithology	
Green River	1,538		Shale	
Birdsnest Zone	1,678		Dolomite	
Mahogany Oil Shale Bed	2,182		Shale	
Wasatch	4,425		Sandstone	
Chapita Wells	4,991		Sandstone	
Buck Canyon	5,651		Sandstone	
North Horn	6,209		Sandstone	
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KMV Price River Middle	7,311	Primary	Sandstone	Gas
KMV Price River Lower	8,088	Primary	Sandstone	Gas
Sego	8,624		Sandstone	
TD	**8,820**			

Estimated TD: **8,820' or 200'± below TD** **Anticipated BHP: 4,816 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

CASING	Hole Size	Length	Size	WEIGHT	Grade	Thread	Rating Collapse	Factor Burst	Tensile
Conductor	20"	0 – 60'	14"	32.5#	A-252	STC		1,880 PSI	10,000#
Surface	12 ¼"	0-2,300 KB±	9 ⅝"	36.0#	J-55	STC	2,020 PSI	3,520 PSI	394,00#
Production	7-⅞"	Surface – TD	4-½"	11.6#	P-110	LTC	7,560 PSI	10,690 Psi	279,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 3rd joint to 400' above the top of primary object. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

RECEIVED June 14, 2010

7. VARIANCE REQUESTS:

Reference: **Onshore Oil and Gas Order No. 1**
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
CBL/CCL/VDL/GR

RECEIVED June 14, 2010

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **116 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **855 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

DRILLING PLAN

CHAPITA WELLS UNIT 1268-27
NW/NW, SEC. 27, T9S, R23E, S.L.B.&M..
UINTAH COUNTY, UTAH

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)

RECEIVED June 14, 2010

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **EOG RESOURCES INC**

Well Name: **CWU 1268-27**

Api No: **43-047-50409** Lease Type: **FEDERAL**

Section **27** Township **09S** Range **23E** County **UINTAH**

Drilling Contractor **CRAIG'S ROUSTABOUT SERV** RIG # **BUCKET**

SPUDDED:

Date **06/28/2010**

Time **9:00 AM**

How **DRY**

Drilling will Commence:

Reported by **KERRY SALES**

Telephone # **(435) 598-5089**

Date **06/28/2010** **Signed** **CHD**

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
✓ SPUD REPORT Date of Spud: 6/28/2010	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well was spud on 6/28/2010.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
July 20, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 7/20/2010

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

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7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 6/28/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

No activity has occurred since spud on 6/28/2010.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
July 20, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 7/20/2010

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

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7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

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2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER: 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 6/28/2010	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
☐ SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	✓ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests authorization for the disposal of produced water at the following locations: 1. NBU 20-20B SWD 2. CWU 550-30N SWD 3. CWU 2-29 SWD 4. Red Wash Evaporation Ponds 1,2,3,4,5,6&7 5. White River Evaporation Ponds 1&2 6. Coyote Evaporation Ponds 1&2 7. RNI Disposal 8. Hoss SWD Wells ROW# UTU86010 & UTU897093

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

July 22, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 7/20/2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Operator Account Number: N 9550
Address: 1060 East Highway 40
city Vernal
state UT zip 84078
Phone Number: (435) 781-9145

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-50409	CHAPITA WELLS UNIT 1268-27		NWNW	27	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
KB	99999	13650	6/28/2010			7/27/10	

Comments: MESAVERDE

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

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JUL 2 0 2010
DIV. OF OIL, GAS & MINING

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Mickenzie Gates
Name (Please Print)
Signature
Operations Clerk
Title
7/20/2010
Date

(5/2000)

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: CWU 1268-27

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43047504090000

3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Vernal, UT, 84078 **PHONE NUMBER:** 435 781-9111 Ext

9. FIELD and POOL or WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 8/5/2010	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well reached TD on 7/29/2010, please see the attached well chronology report for the referenced well showing all activity up to 8/5/2010.

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

August 05, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Mickenzie Gates	435 781-9145	Operations Clerk
SIGNATURE N/A		**DATE** 8/5/2010

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$75,000	**Completion**	$0	**Well Total**	$75,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	GEL CLOSED LOOP TODAY.

06−29−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$75,000	**Completion**	$0	**Well Total**	$75,000		
MD 60	**TVD** 60	**Progress** 0	**Days** 1	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION/SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIG'S BUCKET RIG SPUD A 20" HOLE ON 6/28/2010 @ 09:00 AM. SET +/−60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. CAROL DANIELS W/UDOGM WAS NOTIFIED BY PHONE MESSAGE AND BLM WAS NOTIFIED BY EMAIL OF SPUD ON 6//10 @ . LOCATION 100% COMPLETE.

07−07−2010 **Reported By** DAVID GREESON

DailyCosts: Drilling	$195,668	**Completion**	$0	**Daily Total**	$195,668		
Cum Costs: Drilling	$270,668	**Completion**	$0	**Well Total**	$270,668		
MD 2,226	**TVD** 2,226	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #2 ON 7/1/2010. DRILLED 12−1/4" HOLE TO 2210' GL (2,226' KB). ENCOUNTERED WATER AT 1410' AND GOT A WATER SAMPLE FOR UTAH STATE. FLUID DRILLED FROM 1590'. LOST CIRCULATION AT 1790'. ROUGH DRILLING, BIRDS NEST FROM 1700' TO 1830'. DRILLED WITH FLUID TO TD. RAN 52 JT'S (2203.89') OF 9−5/8", 36.0#, J−55, STC CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED AT 2,219.89' KB. RDMO CRAIGS RIG #2. MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 2000 PSIG. PUMPED 170 BBLS FRESH WATER & 20 BBLS GEL WATER FLUSH AHEAD OF CEMENT. TAIL: MIXED AND PUMPED 400 SKS (85 BBLS) OF PREMIUM CEMENT W/ 2% CACL MIXED CEMENT @ 15.6 PPG, YIELD 1.2 CF/SX. DISPLACED THE CEMENT W/166 BBLS FRESH WATER. BUMPED PLUG W/ 990 PSI AT 8: 20 AM ON 7/5/10. FLOAT HELD. NO RETURNS OF CEMENT TO SURFACE. WOC 1.5 HOURS. TOP JOB # 1: DOWN 6' OF 1" PIPE, MIXED & PUMPED 150 SX (31 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD1.17 CF/SX. NO RETURNS DURING ANY PART OF THE OPERATION. WAIT ON CEMENT 2.5 HOURS. TOP JOB # 2: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. NO RETURNS. WOC 2.5 HOURS.

TOP JOB # 3: MIXED & PUMPED 150 SX (31 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. NO RETURNS. WOC 2.5 HOURS

TOB JOB #4: MIXED & PUMPED 110 SX (23 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. GOOD RETURNS 2 BBL'S, CEMENT STOOD AT SURFACE OBSERVED WELL FOR 2 HOURS WHILE RIGGING DOWN. RELEASE HALLIBURTON.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

CRAIG'S RIG #2 TOOK 2 SURVEYS WHILE DRILLING HOLE @ 1500' = 1.0 DEGREE, 2010' = 1.75 DEGREES.

DAVID GREESON NOTIFIED BLM OF THE SURFACE CASING & CEMENT JOB ON 07/4/2010 @ 07:00 A.M. AND NOTIFIED CAROL DANIELS WITH UDOGM ON 7/4/2010 @ 08:00 AM.

07−25−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$94,257	**Completion**	$0	**Daily Total**	$94,257
Cum Costs: Drilling	$364,925	**Completion**	$0	**Well Total**	$364,925

MD	2,226	**TVD**	2,226	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: P/U BHA. RIG ON DAYWORK @ 00:00.

Start	End	Hrs	Activity Description
06:00	00:00	18.0	HSM W/WESTROC TRUCKING, MT WEST, RIG CREW. MIRURT. RELEASE TRUCKS AND CRANE @ 12:30, DERRICK IN AIR @ 14:00. TRANSFER 3 JTS 4 1/2", 11.6#, N−80, LTC CSG (42.45', 42.40', 42.45', − 127'30' TOTAL) THREADS OFF. TRANSFER 2 4 1/2" MJ (21.95', 21.32' − 43.27' TOTAL). TRANSFER 2650 GALS FUEL @ $2.585/GAL.
00:00	03:30	3.5	RIG ON DAYWORK @ 00:00, 7−25−2010. HSM. NIPPLE UP & TEST BOPE. TEST HIGH 5000 PSI, UPPER AND LOWER KELLY VALVE, SAFETY AND DART VALVE, PIPE AND BLIND RAMS, HCR, KILL LINE AND VALVE, CHOKE LINE, CHOKE VALVE, MANIFOLD. TEST HIGH 1500 PSI HIGH ANNULAR PREVENTER. TEST CASING TO 1500 PSI FOR 30 MINUTES. PERFORM ACCUMULATOR FUNCTION TEST. BLM NOTIFIED OF BOP TEST BY E−MAIL ON 7−23−2010 @ 15:00. NO BLM REPRESENTATIVE TO WITNESS TEST.
03:30	04:00	0.5	INSTALL WEAR BUSHING.
04:00	06:00	2.0	HSM. R/U FRANK'S WESTATES. P/U BHA. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS − RURT, FORKLIFT, TEST BOP, P/U BHA. FUEL − 2350, USED − 300.

07−26−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$55,844	**Completion**	$0	**Daily Total**	$55,844
Cum Costs: Drilling	$420,770	**Completion**	$0	**Well Total**	$420,770

MD	4,312	**TVD**	4,312	**Progress**	2,092	**Days**	1	**MW**	10.3	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 4312'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	FINISH PICKING UP BHA. TAG CEMENT @ 2080'. R/D WESTATES.

07:00	10:30	3.5	DRILL CEMENT AND FLOAT EQUIPMENT 2080' − 2220'. FC @ 2175', GS @ 2220'. DRILL 10' TO 2230' PERFORM FIT W/10.4 PPG MUD TO 200 PSI FOR 12 PPG EMW.
10:30	14:00	3.5	DRILL 2230' − 2514'. WOB 10−15K, RPM 60/73, SPP 1850 PSI, DP 300 PSI, ROP 81 FPH.
			SPUD WELL @ 10:30.
14:00	14:30	0.5	RIG SERVICE. CHECK COM.
14:30	20:00	5.5	DRILL 2514' − 3357'. WOB 15−20K, RPM 50−65/73, SPP 2000 PSI, DP 350 PSI, ROP 153 FPH.
20:00	20:30	0.5	SURVEY − 2.2 DEG.
20:30	06:00	9.5	DRILL 3357' − 4312'. SAME PARAMETERS, ROP 101 FPH.
			FULL CREWS, NO ACCIDENTS, BOP DRILLS BOTH TOURS.
			SAFETY MEETINGS − P/U BHA, HAND PPE.
			FUEL − 8930, DEL − 8000, USED − 1420.
			MW − 10.3 PPG, VIS − 37 SPQ.
06:00			SPUD A 7 7/8' HOLE @ 10:30 HRS, 7/25/2010.

07−27−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$29,691	**Completion**	$0	**Daily Total**	$29,691
Cum Costs: Drilling	$450,461	**Completion**	$0	**Well Total**	$450,461

MD	6,570	**TVD**	6,570	**Progress**	2,258	**Days**	2	**MW**	10.7	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 6570'

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL 4312 − 4368'. WOB 15K, RPM 59/73, SPP 2250 PSI, DP 350 PSI, ROP 112 FPH.
06:30	07:00	0.5	SURVEY − 2.77 DEG.
07:00	06:00	23.0	DRILL 4368' − 6570'. WOB 15−20K, RPM 59/67, SPP − 2300 PSI, DP 300 PSI, ROP 96 FPH.
			WASATCH @ 4438', CHAPITA WELLS @ 5008', BUCK CANYON @ 5682', NORTH HORN @ 6262', PRICE RIVER @ 6524'.
			FULL CREWS, NO ACCIDENTS.
			SAFETY MEETINGS − HEARING PROTECTION, CONNECTIONS.
			FUEL − 7290, USED − 2360.
			MW − 10.8 PPG, VIS − 39 SPQ.

07−28−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$27,298	**Completion**	$0	**Daily Total**	$27,298
Cum Costs: Drilling	$477,760	**Completion**	$0	**Well Total**	$477,760

MD	8,104	**TVD**	8,104	**Progress**	1,534	**Days**	3	**MW**	11.0	**Visc**	40.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8104'

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL 6570' − 7286'. WOB 15−20K, RPM 45−65/67, SPP 2300 PSI, DP 300 PSI, ROP 75 FPH.
15:30	16:00	0.5	RIG SERVICE. CHECK COM.
16:00	06:00	14.0	DRILL 7286' − 8104'. SAME PARAMETERS, ROP 58 FPH.
			FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − HOUSEKEEPING, HARDHATS.

FUEL − 5330, USED − 1960.

MW − 11.2 PPG, VIS − 39 SPQ.

07−29−2010 **Reported By** PAT CLARK/MIKE WOOLSEY

DailyCosts: Drilling	$33,962	**Completion**	$0	**Daily Total**	$33,962
Cum Costs: Drilling	$511,722	**Completion**	$0	**Well Total**	$511,722

MD	8,540	**TVD**	8,540	**Progress**	436	**Days**	4	**MW**	11.7	**Visc**	40.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8540'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILL 8104' − 8199'. WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 95 FPH.
07:00	09:30	2.5	RAISE MW TO 11.5 PPG HEAVY. MIX AND PUMP 70 BBL, 75 VIS SWEEP. AND PUMP SLUG
09:30	16:30	7.0	TRIP OUT OF HOLE WORK TIGHT HOLE @ 8100' PUMP SWEEP FINE CUTTINGS ON RETURNS, WORK TIGHT HOLE F/ 6900' TO 6300' PUMP SWEEP .5 INCH TO 1 INCH CUTTINGS ON RETURNS, WORK TIGHT HOLE F/ 4460' TO 2330', PUMP SWEEPS 1 INCH TO 3 INCH SHALE CUTTINGS ON RETURNS, LOST 100 BBLS OF MUD ON TRIP OUT
16:30	17:30	1.0	LAY DOWN REAMERS AND MUD MOTOR (MOTOR LEAKING OIL FROM PORT)
17:30	20:00	2.5	P/U NEW MOTOR AND MAKE BIT AND TRIP IN HOLE TO 8160' FILL PIPE EVERY 2000' 39' OF FILL
20:00	21:00	1.0	WASH/REAM F/ 8160' TO 8199' WOB 5K − 10 K RPM 45 SPM 108
21:00	06:00	9.0	DRILL ROTATE F/ 8199' TO 8540' WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 39 FPH.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − FORK LIFT OPERATIONS, TRIPPING PIPE.

FUEL − 4109, USED − 1221.

MW − 11.9 PPG, VIS − 40 SPQ.

100 BBL LOSS ON TRIP OUT

07−30−2010 **Reported By** MIKE WOOLSEY

DailyCosts: Drilling	$26,889	**Completion**	$88,362	**Daily Total**	$115,251
Cum Costs: Drilling	$538,611	**Completion**	$88,362	**Well Total**	$626,974

MD	8,820	**TVD**	8,820	**Progress**	280	**Days**	5	**MW**	11.9	**Visc**	39.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP TO CEMENT PRODUCTION CSG

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL ROTATE F/ 8540' TO 8820' WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 35' FPH. REACHED TD @ 14:00 HRS, 7−29−10.
14:00	15:00	1.0	MIX AND PUMP 70 BBL, 75 VIS SWEEP. .5 " TO 1.0 " CUTTING ON RETURNS FROM SWEEP, MIX AND PUMP SLUG
15:00	16:00	1.0	SHORT TRIP 1000' NO TIGHT SPOTS AND NO FILL
16:00	17:30	1.5	MIX AND PUMP 70 BBL, 75 VIS SWEEP. .5 " TO 1.0 " CUTTINGS. LIMITED CUTTINGS ON RETURNS FROM SWEEP, MIX AND PUMP SLUG AND HELD S/M WITH FRANKS LAY DOWN CREW
17:30	22:00	4.5	LDDP. BREAK KELLY, L/D BHA. PULL WEAR BUSHING.
22:00	00:00	2.0	HOLD SAFETY MEETING WITH FRANKS AND RIG UP CASERS.

00:00	05:30	5.5	HSM. RUN 4 1/2", 11.6#, N−80, LT&C CSG AS FOLLOWS: FLOAT SHOE @ 8815', 1 JT CSG, FLOAT COLLAR @ 8770', 52 JTS CSG, MJ @ 6544', 59 JTS CSG, MJ @ 4036', 95 JTS CSG, (207 TOTAL). P/U JT # 208, TAG BOTTOM @ 8820'. L/D JT # 208. P/U MCH, LJ. INSTALL ROTATING RUBBER, LAND MCH FOR CEMENT. RAN TURBULIZERS ON BOTTOM THREE JOINTS, 25 BOW SPRING CENTRALIZERS ON EVERY THIRD JT TO 5618'. R/D FRANKS.
05:30	06:00	0.5	HSM. CIRCULATE, R/U CEMENTERS.

NO ACCIDENTS OR INCIDENTS REPORTED

FUEL ON HAND 2874 GALLONS −− USED 1235 GALLONS

SAFETY MEETINGS HELD LAY DOWN DRILL PIPE − RUNNING CASING

FULL CREWS

FINAL MUD WEIGHT 12.0# AND 39 VIS

07−31−2010 **Reported By** MIKE WOOLSEY

DailyCosts: Drilling	$40,442	**Completion**	$14,357	**Daily Total**	$54,800
Cum Costs: Drilling	$579,054	**Completion**	$102,720	**Well Total**	$681,774

MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	6	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	CIRC BTMS UP.
06:30	08:30	2.0	HSM, R/U HALLIBURTON. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBLS MUD FLUSH, MIX AND PUMP 560 SX (130 BBLS, 730 CU/FT) LEAD HIGHBOND 75 CEMENT @ 12.4 PPG, 1.66 YLD, H2O 8.51 GAL/SK + 4% BENTONITE + .3% VERSASET. MIX AND PUMP 1265 SX (331 BBLS, 1858 CU/FT) TAIL EXTENDACEM CEMENT @ 13.5 PPG, 1.47 YLD, H2O 6.98 GAL/SK + .125 LBM POLY−E−FLAKE. WASH UP TO RIG CATCH TANK, DROP PLUG AND DISPLACE W/ 130.6 BBLS FRESH WATER. FULL RETURNS THROUGHOUT. MAX PRESSURE 2500 PSI. BUMPED PLUG TO 4000 PSI. BLED BACK 2.0 BBLS, FLOATS HELD. PRESSURE BACK UP TO 2000 PSI AND HOLD FOR 1 HR. R/D HALLIBURTON. PLUG DOWN @ 08:08. BLM NOTIFIED BY E−MAIL 7/27/10, NO REPRESENTATIVE PRESENT.
08:30	09:30	1.0	WAIT ON CEMENT.
09:30	10:30	1.0	PACK OFF AND TEST DTO TO 5000 PSI.
10:30	12:00	1.5	CLEAN MUD TANKS.
12:00	06:00	18.0	RDRT. PREPARE TO MOVE 2.0 MILES TO CWU 1116−27 @ 06:00 ON 7−31−2010.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − LDDP, RUN CSG, CEMENTING, RDRT.

FUEL − 2500, USED − 374.

TRANSFER 5 JTS 4 1/2", 11.6#, N−80, LTC CSG (42.45', 42.40', 42.45',42.78',42.10'− 212.18' TOTAL) TO CWU 1116−27.

TRANSFER 2 MJ (11.61', 11.06' − 22.67' TOTAL) TO CWU 1116−27.

TRANSFER 2500 GALS DIESEL FUEL @ $2.585/GAL TO CWU 1116−27.

06:00 RIG RELEASED AT 12:00 HRS, 7/30/10.

CASING POINT COST $579,054

API Well No: 43047504090000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER:
UTU0344A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:
CHAPITA WELLS

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
CWU 1268-27

2. NAME OF OPERATOR:
EOG Resources, Inc.

9. API NUMBER:
43047504090000

3. ADDRESS OF OPERATOR:
1060 East Highway 40 , Vernal, UT, 84078

PHONE NUMBER:
435 781-9111 Ext

9. FIELD and POOL or WILDCAT:
NATURAL BUTTES

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0702 FNL 0850 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNW Section: 27 Township: 09.0S Range: 23.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 8/25/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well was turned to sales on August 25, 2010. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
August 26, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Michelle Robles	307 276-4842	Regulatory Assistant
SIGNATURE		**DATE**
N/A		8/26/2010

RECEIVED August 26, 2010

WELL CHRONOLOGY REPORT

Report Generated On: 08−26−2010

Well Name	CWU 1268−27	**Well Type**	DEVO	**Division**	DENVER
Field	CHAPITA DEEP	**API #**	43−047−50409	**Well Class**	COMP
County, State	UINTAH, UT	**Spud Date**	07−25−2010	**Class Date**	
Tax Credit	N	**TVD / MD**	8,820/ 8,820	**Property #**	059244
Water Depth	0	**Last CSG**	2.375	**Shoe TVD / MD**	0/ 0
KB / GL Elev	5,180/ 5,167				
Location	SECTION 27, T9S, R23E, NWNW, 702 FNL & 850 FWL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	100.0	**NRI %**	82.139

AFE No	304088	**AFE Total**	1,400,900	**DHC / CWC**	601,600/ 799,300		
Rig Contr	TRUE	**Rig Name**	TRUE #31	**Start Date**	05−11−2009	**Release Date**	07−30−2010

05−11−2009 **Reported By** SHEILA MALLOY

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0

MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA 702’ FNL & 850’ FWL (NW/NW) SECTION 27, T9S, R23E UINTAH COUNTY, UTAH LAT 40.012267, LONG 109.319458 (NAD 83) LAT 40.012300, LONG 109.318781 (NAD 27) TRUE #31 OBJECTIVE: 8820’ TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A: CHAPITA DEEP NATURAL BUTTES FIELD LEASE: U−0344A ELEVATION: 5169.6’ NAT GL, 5166.6’ PREP GL(DUE TO ROUNDING THE PREP GL WILL BE 5167’), 5183’ KB (16’) EOG WI 100%, NRI 82.139316%

06−14−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $75,000 **Completion** $0 **Daily Total** $75,000
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION STARTED TODAY 6/14/2010.

06−15−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 10% COMPLETE.

06−16−2010 **Reported By** ROBERT WILKINS

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT ON LOCATION 25%.

06−17−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	ROCKED OUT. DRILLING.

06−18−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	DRILLING OUT ROCK.

06−21−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SHOOTING TODAY.

06−22−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING LOCATION.

06−23−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION 80% COMPLETE.

06−24−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE. STARTING CLOSED LOOP.

06−25−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $75,000 **Completion** $0 **Well Total** $75,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CLOSED LOOP 75% COMPLETE.

06−28−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$75,000	**Completion**	$0	**Well Total**	$75,000		
MD 0	**TVD** 0	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	GEL CLOSED LOOP TODAY.

06−29−2010 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0		
Cum Costs: Drilling	$75,000	**Completion**	$0	**Well Total**	$75,000		
MD 60	**TVD** 60	**Progress** 0	**Days** 1	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: BUILD LOCATION/SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	CRAIG'S BUCKET RIG SPUD A 20" HOLE ON 6/28/2010 @ 09:00 AM. SET +/−60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. CAROL DANIELS W/UDOGM WAS NOTIFIED BY PHONE MESSAGE AND BLM WAS NOTIFIED BY EMAIL OF SPUD ON 6//10 @ . LOCATION 100% COMPLETE.

07−07−2010 **Reported By** DAVID GREESON

DailyCosts: Drilling	$195,668	**Completion**	$0	**Daily Total**	$195,668		
Cum Costs: Drilling	$270,668	**Completion**	$0	**Well Total**	$270,668		
MD 2,226	**TVD** 2,226	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIG'S AIR RIG #2 ON 7/1/2010. DRILLED 12−1/4" HOLE TO 2210' GL (2,226' KB). ENCOUNTERED WATER AT 1410' AND GOT A WATER SAMPLE FOR UTAH STATE. FLUID DRILLED FROM 1590'. LOST CIRCULATION AT 1790'. ROUGH DRILLING, BIRDS NEST FROM 1700' TO 1830'. DRILLED WITH FLUID TO TD. RAN 52 JT'S (2203.89') OF 9−5/8", 36.0#, J−55, STC CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED AT 2,219.89' KB. RDMO CRAIGS RIG #2. MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 2000 PSIG. PUMPED 170 BBLS FRESH WATER & 20 BBLS GEL WATER FLUSH AHEAD OF CEMENT. TAIL: MIXED AND PUMPED 400 SKS (85 BBLS) OF PREMIUM CEMENT W/ 2% CACL MIXED CEMENT @ 15.6 PPG, YIELD 1.2 CF/SX. DISPLACED THE CEMENT W/166 BBLS FRESH WATER. BUMPED PLUG W/ 990 PSI AT 8: 20 AM ON 7/5/10. FLOAT HELD. NO RETURNS OF CEMENT TO SURFACE. WOC 1.5 HOURS. TOP JOB # 1: DOWN 6' OF 1" PIPE, MIXED & PUMPED 150 SX (31 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD1.17 CF/SX. NO RETURNS DURING ANY PART OF THE OPERATION. WAIT ON CEMENT 2.5 HOURS. TOP JOB # 2: MIXED & PUMPED 100 SX (21 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. NO RETURNS. WOC 2.5 HOURS.

TOP JOB # 3: MIXED & PUMPED 150 SX (31 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. NO RETURNS. WOC 2.5 HOURS

TOB JOB #4: MIXED & PUMPED 110 SX (23 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG, YIELD 1.17 CF/SX. GOOD RETURNS 2 BBL'S, CEMENT STOOD AT SURFACE OBSERVED WELL FOR 2 HOURS WHILE RIGGING DOWN. RELEASE HALLIBURTON.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

CRAIG'S RIG #2 TOOK 2 SURVEYS WHILE DRILLING HOLE @ 1500' = 1.0 DEGREE, 2010' = 1.75 DEGREES.

DAVID GREESON NOTIFIED BLM OF THE SURFACE CASING & CEMENT JOB ON 07/4/2010 @ 07:00 A.M. AND NOTIFIED CAROL DANIELS WITH UDOGM ON 7/4/2010 @ 08:00 AM.

07−25−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$94,257	**Completion**	$0	**Daily Total**	$94,257
Cum Costs: Drilling	$364,925	**Completion**	$0	**Well Total**	$364,925

MD	2,226	**TVD**	2,226	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: P/U BHA. RIG ON DAYWORK @ 00:00.

Start	End	Hrs	Activity Description
06:00	00:00	18.0	HSM W/WESTROC TRUCKING, MT WEST, RIG CREW. MIRURT. RELEASE TRUCKS AND CRANE @ 12:30, DERRICK IN AIR @ 14:00. TRANSFER 3 JTS 4 1/2", 11.6#, N−80, LTC CSG (42.45', 42.40', 42.45', − 127'30' TOTAL) THREADS OFF. TRANSFER 2 4 1/2" MJ (21.95', 21.32' − 43.27' TOTAL). TRANSFER 2650 GALS FUEL @ $2.585/GAL.
00:00	03:30	3.5	RIG ON DAYWORK @ 00:00, 7−25−2010. HSM. NIPPLE UP & TEST BOPE. TEST HIGH 5000 PSI, UPPER AND LOWER KELLY VALVE, SAFETY AND DART VALVE, PIPE AND BLIND RAMS, HCR, KILL LINE AND VALVE, CHOKE LINE, CHOKE VALVE, MANIFOLD. TEST HIGH 1500 PSI HIGH ANNULAR PREVENTER. TEST CASING TO 1500 PSI FOR 30 MINUTES. PERFORM ACCUMULATOR FUNCTION TEST. BLM NOTIFIED OF BOP TEST BY E−MAIL ON 7−23−2010 @ 15:00. NO BLM REPRESENTATIVE TO WITNESS TEST.
03:30	04:00	0.5	INSTALL WEAR BUSHING.
04:00	06:00	2.0	HSM. R/U FRANK'S WESTATES. P/U BHA. FULL CREWS, NO ACCIDENTS. SAFETY MEETINGS − RURT, FORKLIFT, TEST BOP, P/U BHA. FUEL − 2350, USED − 300.

07−26−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$55,844	**Completion**	$0	**Daily Total**	$55,844
Cum Costs: Drilling	$420,770	**Completion**	$0	**Well Total**	$420,770

MD	4,312	**TVD**	4,312	**Progress**	2,092	**Days**	1	**MW**	10.3	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 4312'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	FINISH PICKING UP BHA. TAG CEMENT @ 2080'. R/D WESTATES.

07:00	10:30	3.5	DRILL CEMENT AND FLOAT EQUIPMENT 2080' − 2220'. FC @ 2175', GS @ 2220'. DRILL 10' TO 2230' PERFORM FIT W/10.4 PPG MUD TO 200 PSI FOR 12 PPG EMW.
10:30	14:00	3.5	DRILL 2230' − 2514'. WOB 10−15K, RPM 60/73, SPP 1850 PSI, DP 300 PSI, ROP 81 FPH.
			SPUD WELL @ 10:30.
14:00	14:30	0.5	RIG SERVICE. CHECK COM.
14:30	20:00	5.5	DRILL 2514' − 3357'. WOB 15−20K, RPM 50−65/73, SPP 2000 PSI, DP 350 PSI, ROP 153 FPH.
20:00	20:30	0.5	SURVEY − 2.2 DEG.
20:30	06:00	9.5	DRILL 3357' − 4312'. SAME PARAMETERS, ROP 101 FPH.
			FULL CREWS, NO ACCIDENTS, BOP DRILLS BOTH TOURS.
			SAFETY MEETINGS − P/U BHA, HAND PPE.
			FUEL − 8930, DEL − 8000, USED − 1420.
			MW − 10.3 PPG, VIS − 37 SPQ.
06:00			SPUD A 7 7/8' HOLE @ 10:30 HRS, 7/25/2010.

07−27−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$29,691	**Completion**	$0	**Daily Total**	$29,691
Cum Costs: Drilling	$450,461	**Completion**	$0	**Well Total**	$450,461

MD	6,570	**TVD**	6,570	**Progress**	2,258	**Days**	2	**MW**	10.7	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 6570'

Start	End	Hrs	Activity Description
06:00	06:30	0.5	DRILL 4312 − 4368'. WOB 15K, RPM 59/73, SPP 2250 PSI, DP 350 PSI, ROP 112 FPH.
06:30	07:00	0.5	SURVEY − 2.77 DEG.
07:00	06:00	23.0	DRILL 4368' − 6570'. WOB 15−20K, RPM 59/67, SPP − 2300 PSI, DP 300 PSI, ROP 96 FPH.
			WASATCH @ 4438', CHAPITA WELLS @ 5008', BUCK CANYON @ 5682', NORTH HORN @ 6262', PRICE RIVER @ 6524'.
			FULL CREWS, NO ACCIDENTS.
			SAFETY MEETINGS − HEARING PROTECTION, CONNECTIONS.
			FUEL − 7290, USED − 2360.
			MW − 10.8 PPG, VIS − 39 SPQ.

07−28−2010 **Reported By** PAT CLARK

DailyCosts: Drilling	$27,298	**Completion**	$0	**Daily Total**	$27,298
Cum Costs: Drilling	$477,760	**Completion**	$0	**Well Total**	$477,760

MD	8,104	**TVD**	8,104	**Progress**	1,534	**Days**	3	**MW**	11.0	**Visc**	40.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8104'

Start	End	Hrs	Activity Description
06:00	15:30	9.5	DRILL 6570' − 7286'. WOB 15−20K, RPM 45−65/67, SPP 2300 PSI, DP 300 PSI, ROP 75 FPH.
15:30	16:00	0.5	RIG SERVICE. CHECK COM.
16:00	06:00	14.0	DRILL 7286' − 8104'. SAME PARAMETERS, ROP 58 FPH.
			FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − HOUSEKEEPING, HARDHATS.

FUEL − 5330, USED − 1960.

MW − 11.2 PPG, VIS − 39 SPQ.

07−29−2010 **Reported By** PAT CLARK/MIKE WOOLSEY

DailyCosts: Drilling	$33,962	**Completion**	$0	**Daily Total**	$33,962
Cum Costs: Drilling	$511,722	**Completion**	$0	**Well Total**	$511,722

MD	8,540	**TVD**	8,540	**Progress**	436	**Days**	4	**MW**	11.7	**Visc**	40.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING @ 8540'

Start	End	Hrs	Activity Description
06:00	07:00	1.0	DRILL 8104' − 8199'. WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 95 FPH.
07:00	09:30	2.5	RAISE MW TO 11.5 PPG HEAVY. MIX AND PUMP 70 BBL, 75 VIS SWEEP. AND PUMP SLUG
09:30	16:30	7.0	TRIP OUT OF HOLE WORK TIGHT HOLE @ 8100' PUMP SWEEP FINE CUTTINGS ON RETURNS, WORK TIGHT HOLE F/ 6900' TO 6300' PUMP SWEEP .5 INCH TO 1 INCH CUTTINGS ON RETURNS, WORK TIGHT HOLE F/ 4460' TO 2330', PUMP SWEEPS 1 INCH TO 3 INCH SHALE CUTTINGS ON RETURNS, LOST 100 BBLS OF MUD ON TRIP OUT
16:30	17:30	1.0	LAY DOWN REAMERS AND MUD MOTOR (MOTOR LEAKING OIL FROM PORT)
17:30	20:00	2.5	P/U NEW MOTOR AND MAKE BIT AND TRIP IN HOLE TO 8160' FILL PIPE EVERY 2000' 39' OF FILL
20:00	21:00	1.0	WASH/REAM F/ 8160' TO 8199' WOB 5K − 10 K RPM 45 SPM 108
21:00	06:00	9.0	DRILL ROTATE F/ 8199' TO 8540' WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 39 FPH.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − FORK LIFT OPERATIONS, TRIPPING PIPE.

FUEL − 4109, USED − 1221.

MW − 11.9 PPG, VIS − 40 SPQ.

100 BBL LOSS ON TRIP OUT

07−30−2010 **Reported By** MIKE WOOLSEY

DailyCosts: Drilling	$26,889	**Completion**	$88,362	**Daily Total**	$115,251
Cum Costs: Drilling	$538,611	**Completion**	$88,362	**Well Total**	$626,974

MD	8,820	**TVD**	8,820	**Progress**	280	**Days**	5	**MW**	11.9	**Visc**	39.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP TO CEMENT PRODUCTION CSG

Start	End	Hrs	Activity Description
06:00	14:00	8.0	DRILL ROTATE F/ 8540' TO 8820' WOB 15−22K, RPM 59/67, SPP 2300 PSI, DP 300 PSI, ROP 35' FPH. REACHED TD @ 14:00 HRS, 7−29−10.
14:00	15:00	1.0	MIX AND PUMP 70 BBL, 75 VIS SWEEP. .5 " TO 1.0 " CUTTING ON RETURNS FROM SWEEP, MIX AND PUMP SLUG
15:00	16:00	1.0	SHORT TRIP 1000' NO TIGHT SPOTS AND NO FILL
16:00	17:30	1.5	MIX AND PUMP 70 BBL, 75 VIS SWEEP. .5 " TO 1.0 " CUTTINGS. LIMITED CUTTINGS ON RETURNS FROM SWEEP, MIX AND PUMP SLUG AND HELD S/M WITH FRANKS LAY DOWN CREW
17:30	22:00	4.5	LDDP. BREAK KELLY, L/D BHA. PULL WEAR BUSHING.
22:00	00:00	2.0	HOLD SAFETY MEETING WITH FRANKS AND RIG UP CASERS.

00:00	05:30	5.5	HSM. RUN 4 1/2", 11.6#, N−80, LT&C CSG AS FOLLOWS: FLOAT SHOE @ 8815', 1 JT CSG, FLOAT COLLAR @ 8770', 52 JTS CSG, MJ @ 6544', 59 JTS CSG, MJ @ 4036', 95 JTS CSG, (207 TOTAL). P/U JT # 208, TAG BOTTOM @ 8820'. L/D JT # 208. P/U MCH, LJ. INSTALL ROTATING RUBBER, LAND MCH FOR CEMENT. RAN TURBULIZERS ON BOTTOM THREE JOINTS, 25 BOW SPRING CENTRALIZERS ON EVERY THIRD JT TO 5618'. R/D FRANKS.
05:30	06:00	0.5	HSM. CIRCULATE, R/U CEMENTERS.

NO ACCIDENTS OR INCIDENTS REPORTED

FUEL ON HAND 2874 GALLONS −− USED 1235 GALLONS

SAFETY MEETINGS HELD LAY DOWN DRILL PIPE − RUNNING CASING

FULL CREWS

FINAL MUD WEIGHT 12.0# AND 39 VIS

07−31−2010 **Reported By** MIKE WOOLSEY

DailyCosts: Drilling	$51,828	**Completion**	$14,357	**Daily Total**	$66,186
Cum Costs: Drilling	$590,440	**Completion**	$102,720	**Well Total**	$693,160

MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	6	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:30	0.5	CIRC BTMS UP.
06:30	08:30	2.0	HSM, R/U HALLIBURTON. PRESSURE TEST LINES TO 5000 PSI, CEMENT WELL AS FOLLOWS: PUMP 20 BBLS MUD FLUSH, MIX AND PUMP 560 SX (130 BBLS, 730 CU/FT) LEAD HIGHBOND 75 CEMENT @ 12.4 PPG, 1.66 YLD, H2O 8.51 GAL/SK + 4% BENTONITE + .3% VERSASET. MIX AND PUMP 1265 SX (331 BBLS, 1858 CU/FT) TAIL EXTENDACEM CEMENT @ 13.5 PPG, 1.47 YLD, H2O 6.98 GAL/SK + .125 LBM POLY−E−FLAKE. WASH UP TO RIG CATCH TANK, DROP PLUG AND DISPLACE W/ 130.6 BBLS FRESH WATER. FULL RETURNS THROUGHOUT. MAX PRESSURE 2500 PSI. BUMPED PLUG TO 4000 PSI. BLED BACK 2.0 BBLS, FLOATS HELD. PRESSURE BACK UP TO 2000 PSI AND HOLD FOR 1 HR. R/D HALLIBURTON. PLUG DOWN @ 08:08. BLM NOTIFIED BY E−MAIL 7/27/10, NO REPRESENTATIVE PRESENT.
08:30	09:30	1.0	WAIT ON CEMENT.
09:30	10:30	1.0	PACK OFF AND TEST DTO TO 5000 PSI.
10:30	12:00	1.5	CLEAN MUD TANKS.
12:00	06:00	18.0	RDRT. PREPARE TO MOVE 2.0 MILES TO CWU 1116−27 @ 06:00 ON 7−31−2010.

FULL CREWS, NO ACCIDENTS.

SAFETY MEETINGS − LDDP, RUN CSG, CEMENTING, RDRT.

FUEL − 2500, USED − 374.

TRANSFER 5 JTS 4 1/2", 11.6#, N−80, LTC CSG (42.45', 42.40', 42.45',42.78',42.10'− 212.18' TOTAL) TO CWU 1116−27.

TRANSFER 2 MJ (11.61', 11.06' − 22.67' TOTAL) TO CWU 1116−27.

TRANSFER 2500 GALS DIESEL FUEL @ $2.585/GAL TO CWU 1116−27.

06:00 RIG RELEASED AT 12:00 HRS, 7/30/10.

CASING POINT COST $579,054

08−05−2010 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$18,500	**Daily Total**	$18,500

Cum Costs: Drilling	$590,440		**Completion**	$121,220		**Well Total**	$711,660				
MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	7	**MW**	0.0	**Visc**	0.0
Formation :		**PBTD :**	8771.0			**Perf :**			**PKR Depth :**	0.0	

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CUTTERS WIRELINE. LOG WITH CBL/CCL/VDL/GR FROM 8745' TO 50'. EST CEMENT TOP @ 1960'. RDWL.

08−15−2010 **Reported By** MCCURDY

DailyCosts: Drilling	$0		**Completion**	$1,843		**Daily Total**	$1,843				
Cum Costs: Drilling	$590,440		**Completion**	$123,063		**Well Total**	$713,503				
MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	8	**MW**	0.0	**Visc**	0.0
Formation :		**PBTD :**	8771.0			**Perf :**			**PKR Depth :**	0.0	

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

08−18−2010 **Reported By** MCCURDY

DailyCosts: Drilling	$0		**Completion**	$1,558		**Daily Total**	$1,558				
Cum Costs: Drilling	$590,440		**Completion**	$124,621		**Well Total**	$715,061				
MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	9	**MW**	0.0	**Visc**	0.0
Formation :	MESAVERDE	**PBTD :**	8771.0			**Perf :**	7970'−8516'		**PKR Depth :**	0.0	

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00	06:00	24.0	STAGE 1. MIRU CUTTERS WIRELINE & PERFORATE LPR FROM 8224'−25', 8240'−41', 8249'−50', 8295'−96', 8308'−09', 8356'−57', 8383'−84', 8387'−88', 8404'−05', 8409'−10', 8415'−16', 8445'−46', 8511'−12', 8515'−16' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7794 GAL 16# LINEAR W/9900# 20/40 SAND @ 1−1.5 PPG, 40194 GAL 16# DELTA 200 W/139500# 20/40 SAND @ 2−5 PPG. MTP 5992 PSIG. MTR 50.4 BPM. ATP 4642 PSIG. ATR 49.3 BPM. ISIP 2802 PSIG. RD HALLIBURTON. STAGE 2. RUWL. SET 6K CFP AT 8204'. PERFORATE MPR / LPR FROM 7970'−71', 7998'−99', 8010'−11', 8024'−25', (8034'−35'MISFIRED), 8044'−45', 8054'−55', 8075'−76', 8086'−87', 8132'−33', 8137'−38', 8159'−60', 8176'−77', 8188'−89' @ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7397 GAL 16# LINEAR W/9500# 20/40 SAND @ 1−1.5 PPG, 43019 GAL 16# DELTA 200 W/147300# 20/40 SAND @ 2−5 PPG. MTP 5808 PSIG. MTR 50.9 BPM. ATP 4622 PSIG. ATR 48.8 BPM. ISIP 3404 PSIG. RD HALLIBURTON. SWIFN.

08−19−2010 **Reported By** MCCURDY

DailyCosts: Drilling	$0		**Completion**	$281,023		**Daily Total**	$281,023				
Cum Costs: Drilling	$590,440		**Completion**	$405,644		**Well Total**	$996,084				
MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	10	**MW**	0.0	**Visc**	0.0
Formation :	MESAVERDE	**PBTD :**	8771.0			**Perf :**	6581'−8516'		**PKR Depth :**	0.0	

Activity at Report Time: PREP TO MIRUSU FOR POST FRAC CLEAN OUT

Start	End	Hrs	Activity Description

06:00	06:00	24.0	STAGE 3. INTIAL PRESSURE 1762 PSIG. RUWL. SET 6K CFP AT 7936'. PERFORATE MPR FROM 7648'−49', 7658'−59', 7669'−70', 7675'−76', 7690'−91', 7730'−31', 7744'−45', 7755'−56', 7804'−05', 7827'−28', 7845'−46', 7878'−79', 7896'−97', 7916'−17'@ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7491 GAL 16# LINEAR W/9600# 20/40 SAND @ 1−1.5 PPG, 52582 GAL 16# DELTA 200 W/183600# 20/40 SAND @ 2−5 PPG. MTP 6390 PSIG. MTR 50 BPM. ATP 5194 PSIG. ATR 48 BPM. ISIP 3182 PSIG. RD HALLIBURTON. STAGE 4. RUWL. SET 6K CFP AT 7614'. PERFORATE MPR FROM 7403'−04', 7416'−17', 7442'−43', 7461'−62', 7480'−81', (7490'−91'MISFIRED), 7504'−05', 7518'−19', 7532'−33', 7543'−44', 7553'−54', 7565'−66', 7582'−83', 7594'−95'@ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7343 GAL 16# LINEAR W/9400# 20/40 SAND @ 1−1.5 PPG, 47774 GAL 16# DELTA 200 W/175800# 20/40 SAND @ 2−5 PPG. MTP 5975 PSIG. MTR 51.9 BPM. ATP 4206 PSIG. ATR 50 BPM. ISIP 2252 PSIG. RD HALLIBURTON. STAGE 5. RUWL. SET 6K CFP AT 7380'. PERFORATE UPR / MPR FROM 7164'−65', 7169'−70', 7174'−75', 7195'−96', 7212'−13', 7257'−58', 7266'−67', 7294'−95', 7302'−03', 7317'−18', 7328'−29', 7344'−45', 7353'−54', 7360'−61'@ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7425 GAL 16# LINEAR W/9600# 20/40 SAND @ 1−1.5 PPG, 35895 GAL 16# DELTA 200 W/140800# 20/40 SAND @ 2−5 PPG. MTP 5728 PSIG. MTR 51.1 BPM. ATP 3709 PSIG. ATR 50.2 BPM. ISIP 2152 PSIG. RD HALLIBURTON. STAGE 6. RUWL. SET 6K CFP AT 7100'. PERFORATE UPR FROM 6879'−80', 6887'−88', 6896'−97', 6912'−13', 6917'−18', 6952'−53', 6958'−59', 6971'−72', 6994'−95', 7013'−14', 7027'−28', 7060'−61', 7074'−75', 7080'−81'@ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7378 GAL 16# LINEAR W/9500# 20/40 SAND @ 1−1.5 PPG, 33102 GAL 16# DELTA 200 W/113400# 20/40 SAND @ 2−5 PPG. MTP 6233 PSIG. MTR 50.8 BPM. ATP 4435 PSIG. ATR 50 BPM. ISIP 2140 PSIG. RD HALLIBURTON. STAGE 7. RUWL. SET 6K CFP AT 6836'. PERFORATE UPR FROM 6581'−82', 6597'−98', 6624'−25', 6661'−62', 6680'−81', 6685'−86', 6708'−09', 6718'−19', 6724'−25', 6731'−32', 6736'−37', 6772'−73', 6805'−06', 6816'−17'@ 2 SPF & 180 DEGREE PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING W/55 GAL (BIO 500), 165 GAL (WSI 7360), 7498 GAL 16# LINEAR W/9600# 20/40 SAND @ 1−1.5 PPG, 33174 GAL 16# DELTA 200 W/126100# 20/40 SAND @ 2−5 PPG. MTP 5773 PSIG. MTR 50.9 BPM. ATP 4100 PSIG. ATR 50.4 BPM. ISIP 2263 PSIG. RD HALLIBURTON. RUWL. SET 6K CBP AT 6476'. RD CUTTERS WIRELINE. SDFN.

08−25−2010 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$20,295	**Daily Total**	$20,295
Cum Costs: Drilling	$590,440	**Completion**	$425,939	**Well Total**	$1,016,379

MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	11	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8771.0 **Perf :** 6581'−8516' **PKR Depth :** 0.0

Activity at Report Time: POST FRAC CLEAN OUT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRUSU. ND FRAC TREE & NU BOP. PRESSURE TESTED BOP & BLIND RAMS TO 3000 PSIG. RIH W/ BIT & PUMP OFF SUB TO 6458'. RU TO DRILL OUT PLUGS. TESTED PIPE RAMS TO 3000 PSIG. SDFN.

08−26−2010 **Reported By** HISLOP/DUANE COOK

DailyCosts: Drilling	$0	**Completion**	$59,353	**Daily Total**	$59,353
Cum Costs: Drilling	$590,440	**Completion**	$485,292	**Well Total**	$1,075,732

MD	8,820	**TVD**	8,820	**Progress**	0	**Days**	12	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 8771.0 **Perf :** 6581'−8516' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST TO SALES/INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 6476', 6836', 7100', 7380', 7614', 7936', & 8204'. CLEANED OUT TO 8610'. LANDED TUBING @ 7358' KB. ND BOP & NU TREE. PUMPED OFF BIT & SUB. RDMOSU. FLOWED THROUGH TEST UNIT TO SALES. 14 HRS. 20/64" CHOKE. FTP 1500 PSIG. CP 1900 PSIG. 50 BFPH. RECOVERED 700 BLW. 8500 BLWTR. 832 MCFD RATE. TUBING DETAIL LENGTH PUMP OFF BIT SUB 0.91' 1 JT 2−3/8" 4.7# N−80 TBG 31.44' XN NIPPLE 1.30' 233 JTS 2−3/8" 4.7# N−80 TBG 7308.33' BELOW KB 16.00' LANDED @ 7357.98' KB INITIAL PRODUCTION. OPENING PRESSURE: TP 1050 PSIG & CP 1650 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 03:30 PM, 8/25/10. FLOWED 500 MCFD RATE ON 24/64" POS CHOKE. STATIC 246. QUESTAR METER #008526.

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU0344A

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. CHAPITA WELLS

2. Name of Operator EOG RESOURCES, INC. Contact: NANETTE H LUPCHO E-Mail: nanette_lupcho@eogresources.com

8. Lease Name and Well No. CHAPITA WELLS UNIT 1268-27

3. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078

3a. Phone No. (include area code) Ph: 453-781-9157

9. API Well No. 43-047-50409

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface NWNW 702FNL 850FWL 40.01227 N Lat, 109.31946 W Lon

At top prod interval reported below NWNW 702FNL 850FWL 40.01227 N Lat, 109.31946 W Lon

At total depth NWNW 702FNL 850FWL 40.01227 N Lat, 109.31946 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES

11. Sec., T., R., M., or Block and Survey or Area Sec 27 T9S R23E Mer SLB

12. County or Parish UINTAH

13. State UT

14. Date Spudded 06/28/2010

15. Date T.D. Reached 07/29/2010

16. Date Completed ☐ D & A ☒ Ready to Prod. 08/25/2010

17. Elevations (DF, KB, RT, GL)* 5170 GL

18. Total Depth: MD 8820 TVD

19. Plug Back T.D.: MD 8771 TVD

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
✓CBL/CCL/VDL/GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.250	9.625 J-55	36.0		2220		910		0	
7.875	4.500 N-80	11.6		8815		1825		1960	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7358							

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	MESAVERDE	6581	8516	8224 TO 8516		2	
B)				7970 TO 8189		2	
C)				7648 TO 7917		2	
D)				7403 TO 7595		2	

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
8224 TO 8516	48,208 GALS OF GELLED WATER & 139,500# 20/40 SAND
7970 TO 8189	50,636 GALS OF GELLED WATER & 156,800# 20/40 SAND
7648 TO 7917	60,293 GALS OF GELLED WATER & 193,200# 20/40 SAND
7403 TO 7595	55,337 GALS OF GELLED WATER & 185,200# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
08/25/2010	09/04/2010	24	→	18.0	1060.0	491.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
24/64	650 / 1520.0		→	18	1060	491		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #93384 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
SEP 28 2010
DIV. OF OIL, GAS & MINING

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
MESAVERDE	6581	8516		GREEN RIVER	1303
				BIRDS NEST	1596
				MAHOGANY	2193
				UTELAND BUTTE	4321
				WASATCH	4434
				CHAPITA WELLS	5038
				BUCK CANYON	5726
				PRICE RIVER	6515

32. Additional remarks (include plugging procedure):

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #93384 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal

Name *(please print)* NANETTE H LUPCHO Title REGULATORY ASSISTANT

Signature (Electronic Submission) Date 09/27/2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Chapita Wells Unit 1268-27 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

7164-7361	2/spf
6879-7081	2/spf
6581-6817	2/spf

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

7164-7361	43,540 GALS GELLED WATER & 150,400# 20/40 SAND
6879-7081	40,700 GALS GELLED WATER & 122,900# 20/40 SAND
6581-6817	40,892 GALS GELLED WATER & 135,700# 20/40 SAND

Perforated the Lower Price River from 8224'-25', 8240'-41', 8249'-50', 8295'-96', 8308'-09', 8356'-57', 8383'-84', 8387'-88', 8404'-05', 8409'-10', 8415'-16', 8445'-46', 8511'-12', 8515'-16', w/ 2 spf.

Perforated the Middle Price River/Lower Price River from 7970'-71', 7998'-99', 8010'-11', 8024'-25', 8044'-45', 8054'-55', 8075'-76', 8086'-87', 8132'-33', 8137'-38', 8159'-60', 8176'-77', 8188'-89', w/ 2 spf.

Perforated the Middle Price River from 7648'-49', 7658'-59', 7669'-70', 7675'-76', 7690'-91', 7730'-31', 7744'-45', 7755'-56', 7804'-05', 7827'-28', 7845'-46', 7878'-79', 7896'-97', 7916'-17', w/ 2 spf.

Perforated the Middle Price River from 7403'-04', 7416'-17', 7442'-43', 7461'-62', 7480'-81', 7504'-05', 7518'-19', 7532'-33', 7543'-44', 7553'-54', 7565'-66', 7582'-83', 7594'-95', w/ 2 spf.

Perforated the Upper Price River/Middle Price River from 7164'-65', 7169'-70', 7174'-75', 7195'-96', 7212'-13', 7257'-58', 7266'-67', 7294'-95', 7302'-03', 7317'-18', 7328'-29', 7344'-45', 7353'-54', 7360'-61', w/ 2 spf.

Perforated the Upper Price River from 6879'-80', 6887'-88', 6896'-97', 6912'-13', 6917'-18', 6952'-53', 6958'-59', 6971'-72', 6994'-95', 7013'-14', 7027'-28', 7060'-61', 7074'-75', 7080'-81', w/ 2 spf.

Perforated the Upper Price River from 6581'-82', 6597'-98', 6624'-25', 6661'-62', 6680'-81', 6685'-86', 6708'-09', 6718'-19', 6724'-25', 6731'-32', 6736'-37', 6772'-73', 6805'-06', 6816'-17', w/ 2 spf.

32. FORMATION (LOG) MARKERS

Middle Price River	7308
Lower Price River	8083
Sego	8641

Form 3160-3
(August 2007)

RECEIVED
MAY 05 2009
BLM

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. UTU0344A
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No. UTU63013X
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. CWU 1268-27
2. Name of Operator EOG RESOURCES INC Contact: KAYLENE R GARDNER E-Mail: KAYLENE_GARDNER@EOGRESOURCES.COM	9. API Well No. 43 047 50409
3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 3b. Phone No. (include area code) Ph: 435-781-9111	10. Field and Pool, or Exploratory NATURAL BUTTES
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface NWNW 702FNL 850FWL 40.01227 N Lat, 109.31946 W Lon At proposed prod. zone NWNW 702FNL 850FWL 40.01227 N Lat, 109.31946 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 27 T9S R23E Mer SLB SME: BLM
14. Distance in miles and direction from nearest town or post office* 55.1 MILES SOUTH OF VERNAL, UT	12. County or Parish UINTAH; 13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 702 16. No. of Acres in Lease 640.00	17. Spacing Unit dedicated to this well
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 840 19. Proposed Depth 8820 MD 8820 TVD	20. BLM/BIA Bond No. on file NM2308
21. Elevations (Show whether DF, KB, RT, GL, etc. 5170 GL 22. Approximate date work will start	23. Estimated duration 45-DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) KAYLENE R GARDNER Ph: 435-781-9111	Date 05/05/2009
Title LEAD REGULATORY ASSISTANT		
Approved by (Signature) Jamie Sparger	Name (Printed/Typed) Noom Hatch	Date 7/29/2009
Title acting Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

NOTICE OF APPROVAL

Electronic Submission #69742 verified by the BLM Well Information System
For EOG RESOURCES INC, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 05/05/2009 (09GXJ4278AE)

UDOGM

AUG 03 2009

DIV. OF OIL, GAS & MINING

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

09GXJ4278AE

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**EOG Resources, Inc.**	**Location:**	**NWNW, Sec. 27, T9S, R23E**
Well No:	**CWU 1268-27**	**Lease No:**	**UTU-0344A**
API No:	**43-047-50409**	**Agreement:**	**Chapita Wells Unit**

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Lori Ford	(435) 781-4406	
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
		Fax: (435) 781-3420	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 design-rated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- Prevent fill and stock piles from entering drainages.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches, or gravel (from a private or commercial source) etc. shall be needed to control the erosion. Low-water crossings and culverts shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Bury pipelines at all low water crossings.
- Surface pipelines will be placed 5-10 feet outside of the borrow area.
- Surface pipelines will be placed in such a way that they will not wander into the borrow area.
- Pipelines will be buried at all major road and drainage crossings
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- The production casing cement shall extend a minimum of 200 feet above the surface casing shoe.
- A formation integrity test shall be performed at the surface casing shoe.
- Gamma Ray Log shall be run from Total Depth to Surface.

Variances Granted

Air Drilling

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil &

Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.
    - Well name and number.
    - Well location (¼¼, Sec., Twn, Rng, and P.M.).
    - Date well was placed in a producing status (date of first production for which royalty will be paid).
    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
    - Unit agreement and/or participating area name and number, if applicable.
    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.